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THE STRUCTURE AND FORMAT OF BUDGET DOCUMENTS: CRITERIA FOR CORE VS. PROJECT POSTS

SUMMARY

The present report is the Executive Director's response to Executive Board decision 1991/30, on the review of budget formats (E/ICEF/1991/15), which requested clarification of the criteria used to determine whether posts should be core or project, particularly at headquarters. Accordingly, the document reviews the historical development of the use of core and project posts at UNICEF and the development of policies to determine appropriate funding sources for project posts.

The document has been reviewed by a Reference Group on nine Executive Board members appointed by the Bureau and has been submitted to the Advisory Committee on Administrative and Budgetary Questions for its review and recommendations, which are presented in document E/ICEF/1992/AB/L.18.

The formal decision to be made on the basis of the present document at the 1992 session is the approval of the proposed criteria. The approved criteria will then be applied to all existing posts. The analysis, including proposals for conversions of core posts to project posts and project posts to core posts, if any, will be presented to the Executive Board for review and approval, together with the administrative and programme support budget (E/ICEF/1992/AB/L.14) and the global funds programme budgets (E/ICEF/1992/AB/L.1) at its 1993 session.

The recommendations by the Executive Director are contained in chapter III, paragraphs 48-50.

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I. BACKGROUND AND HISTORICAL DEVELOPMENTS

1. From the inception of UNICEF until the late 1970s, all posts at country offices and at headquarters were core posts. Information on the number and categories of core posts and staff costs was included in the administrative and programme support budget. All core posts were approved by the Executive Board and financed from "core funds", i.e. general resources.

2. As the nature of UNICEF cooperation evolved over the years, the need to provide technical support for planning programmes for children and women based on needs, for implementing and monitoring programmes, and for advocacy for the well-being of children and women in national development plans was increasingly recognized in the late 1970s and early 1980s. In response to the need, new "project posts" were established at country offices and were financed from the respective country programme budgets with two main funding sources, i.e. general resources and supplementary funds. "The Executive Board, at its 1981 session (E/ICEF/AB/L.230/Rev.1) expressed general support for making wider use of project personnel in the field, rather than establishing core posts, even if a function was expected to continue for more than five years" (UNICEF Policies and Procedures Manual, CF/DFM/1990/07).

3. Project posts, established as part of country programmes, have been included in country programme recommendations. According to UNICEF policies and procedures, any requests to establish, abolish or reclassify project posts must be approved by the Budget Planning and Review Committee at headquarters, which is chaired by the Deputy Executive Director, Operations. Such posts are approved on the basis of justification for posts as part of programme needs and availability of general resources or supplementary funds for specific projects.

4. As part of the evolutionary process, with an increasing emphasis on decentralization and the country programming approach, the Executive Director, at the 1983 Board session, proposed a substantial redeployment of core posts from headquarters to the field, particularly to strengthen country offices in West and Central Africa and regional offices at Beirut, Santa Fe de Bogota and Nairobi. This proposal was combined with a request for the conversion of core posts to project posts at headquarters. As a result, the number of core posts at headquarters was reduced from 603 in 1983 to 569 in 1984, with the number of project posts increasing from 12 to 20 in the same period. In the country offices, on the other hand, the number of core posts increased from 1,335 in 1983 to 1,504 in 1984. At the same time, the number of project posts in country offices increased from 1,176 to 1,360.

5. A number of project posts also had to be stationed at headquarters locations to assist in the planning, direction and coordination of large programmes funded from supplementary funds such as the UNICEF/World Health Organization (WHO) Joint Nutrition Support Programme, with a budget of $85 million, or the essential drugs programme, with a budget of $30 million. It should be noted that a similar evolution occurred at other United Nations

agencies. As part of the evolutionary process, the category of project personnel was established throughout the United Nations common system.

6. As indicated in the document on global funds (E/ICEF/1992/L.10), the Interregional Fund for Programme Preparation, Promotion and Evaluation (IFPPE) was used to establish project posts at headquarters and regional offices in order to provide technical support to country offices to formulate innovative programme strategies, programme development, monitoring and evaluation; to promote awareness of children's and women's issues and needs at interregional and international levels; and to support institutional collaboration, networking and experience exchange. Project posts were also established as part of special-purpose global funds such as the Infant Mortality Reduction Reserve (which was later renamed the Under-five Mortality Reduction Reserve and, in 1991, further broadened to the Mortality Reduction Reserve), the Bamako Initiative, the Basic Education Reserve, etc.

7. By 1984, staffing at headquarters in each of the main programme areas such as health, nutrition, water supply, education/women and urban basic services usually consisted of only one core post, supported by project posts, charged to global funds.

8. Over the years, many policy refinements for the expanded utilization of project posts have been proposed for consideration and approval by the Executive Board. The Board and the secretariat have taken the view that technical assistance to projects should be charged to the respective programme budgets at field and headquarters levels as opposed to the administrative and programme support budget. Some examples of these policy developments are as follows:

(a) The posts outposted from the country offices in the capital cities to provincial or district levels were seen as integral parts of the country programmes. As such, the Board decided in 1983 that these posts would be project-funded and not funded from the administrative and programme support budget;

(b) Advisory posts at regional offices were also seen as an important mechanism for programme support to country offices in order to provide greater flexibility for the regional offices to meet the changing needs of each region. The regional advisory posts were charged to IFPPE global funds as opposed to the administrative and programme support budget following the Board decision at its 1989 session.

9. An analysis of the 6 per cent recovery on supplementary funds indicates that the Executive Director submitted a comprehensive report on supplementary funding in 1986 (E/ICEF/1986/L.2). The Executive Board subsequently defined the nature of overhead costs more precisely and decided that the costs of the posts at headquarters locations that perform core functions, but are related to programmes and the administration of supplementary funds, should be defined as project posts and should be charged to supplementary-funded projects. The recovery charge for supplementary funds was approved in 1987 at 6 per cent.

10. Consequently, attempts were made to identify headquarters functions related to supplementary funds in the areas of programme funding, programme field services, personnel, administration, accounting, finance and supply, and to concentrate them in specific posts to be classified, proposed and approved as project posts. The ratio of supplementary-funded expenditures to total expenditures has been used as the basis for approving project posts to be financed from the 6 per cent recovery in the Division of Financial Management, the Programme Funding Office and the Office of Information Resources Management; the ratio of supplementary-funded posts to total posts has been used as the basis for approving project posts financed from this funding source in the Division of Personnel; and the ratio of procurement activities from general resources, supplementary funds and procurement services has been used as the basis for approving core and project posts from this funding source and extrabudgetary posts in the Supply Division (see para. 12 below).

11. At its 1991 session, the Executive Board requested the Executive Director to review the criteria for project posts to be financed from the 6 per cent surcharge from supplementary funding (E/ICEF/1991/15, decision 1991/29 on budget expenditure estimates for the biennium 1992-1993). This review has been undertaken by the secretariat for reporting to the Executive Board at the present session.

12. Since the mid-1980s, an increasing level of interest has also been noted among Governments and NGOs working in developing countries in the quality and reliability of supplies provided by and through the UNICEF Supply Division. This has accounted for a significant expansion of procurement services provided by the Supply Division at Copenhagen which, in turn, has led to additional staffing. The posts funded by procurement services income and special accounts are referred to as "extrabudgetary posts".

13. The 1986 report to the Executive Board on staffing and human resource management (E/ICEF/1986/AB/L.8) included the category of staff charged to "extrabudgetary posts".

14. This category of project posts is described as follows in the UNICEF Policies and Procedures Manual (CF/DFM/1990/07, dated 16 March 1990).

> "Extra budgetary posts refer to posts which are neither funded by the UNICEF budget estimates nor by UNICEF programme/project budgets. These posts are funded by other special sources such as income generated from reimbursable procurement activities and by income provided to UNICEF under funds-in-trust arrangements. As is the case with all posts, the establishment and abolishment of extrabudgetary posts must be approved by the Budget Planning and Review Committee."

15. In 1990, the Budget Planning and Review Committee conducted an extensive review of all offices at headquarters and in the field in consultation with a number of headquarters, regional and country office staff. "The purpose of these discussions was to assess the operational capacity of UNICEF field offices in the light of demands being placed upon the organization in

anticipation of the broad-based support for the programme goals and strategies for the 1990s ..." (E/ICEF/1991/AB/L.1, para. 31). This review indicated that a number of the newly established offices, particularly in Africa, did not possess adequate core staffing to cover the basic UNICEF functions of overall management, programme, operations and external relations.

16. In an attempt at greater equity and basic core staffing at the country office level, the Budget Planning and Review Committee used programme throughput as a standard measure and applied it to determine the number of minimum core Professional posts - international or national - in large, medium to small country offices and sub-offices as follows:

	Large office a/	Medium to small office	Sub-office b/
UNICEF representative	1	1	1 c/
Programme coordinator/ officer	2	1	1 d/
Operations officer	1	1	0 d/
Information/ communications officer	1	1	0
Total	5	4	2

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a/ A larger office with throughput exceeding $15 million per year could have six Professional core posts instead of five.

b/ A sub-office is a small office in a smaller country programme with a programme budget of $750,000 per year with an assistant representative (such as Papua New Guinea) who reports to a representative of an area office located in another country (the Manila Area Office). A district or zonal office, on the other hand, is outposted in a district or a province, and the responsible officer reports to the country office located in the capital of that country.

c/ Assistant representative.

d/ One programme or operations officer.

17. As part of this exercise, 66 core posts from country and regional offices in Asia (the East Asia and the Pacific Regional Office and the South Asia Regional Office) were converted or reduced, and 71 core posts were added to country and regional offices in Africa, Latin America and the Caribbean and the Middle East and North Africa, resulting in a total of 5 additional core posts in the field ("Revised budget estimates for the biennium 1990-1991 and budget estimates for the biennium 1992-1993" (E/ICEF/1991/AB/L.1 and Add.1).

18. The implications of the types of posts for the incumbent staff members are stated in the UNICEF Policies and Procedures Manual (CF/DFM/1990/07) as follows:

> "... the conditions of service for project personnel are virtually identical to those of core personnel as regards remuneration, pension benefits, leave entitlements, etc. The primary distinction between the two categories is that project personnel do not have the opportunity for permanent United Nations employment."

19. The posts performing representation/management, programme, operations and external relations are the core, backbone functions of the organization. Upon completion of five years of service, depending on a performance evaluation, the incumbents of core posts are eligible for a career appointment with the organization in accordance with United Nations common system staff rules and regulations.

20. Project posts, on the other hand, have specific time-limits based on programme or management needs and on the availability of funding, and the situation varies from one project post to another. It is possible, for example, for incumbents of project posts in basic programme areas such as health or water supply/sanitation to receive five-year contracts depending on programme needs and the availability of general resources budget in a country office. Employment contracts for other project personnel are normally issued for two years at a time and renewed for an additional two years, although one-year contracts are possible in the case of reimbursable procurement or supplementary funds.

21. The mechanism of project posts, therefore, provides a degree of flexibility for UNICEF to establish and/or abolish posts depending on programme needs and the availability of general resources from country programme funds or global funds, and supplementary funds as well as extrabudgetary income.

22. An example of this can be cited as follows. At the beginning of 1991, there were 2,800 posts in all categories of project posts at headquarters and in the field. Of these, approximately 225 posts were abolished in 1991 (109 international Professional, 38 national officers and 78 General Service), 756 posts were established or converted (209 international Professional, 155 national officers and 392 General Service) and 71 existing posts were extended (18 international Professional, 11 national officers and 42 General Service), thereby bringing the total, at the end of 1991, to 3,402.

23. The Executive Board approves all core posts at headquarters and in the field, and all project posts funded from general resources and 6 per cent recovery at headquarters locations on a post-by-post basis. Project posts at UNICEF field offices are approved by the Budget Planning and Review Committee at headquarters based on programme needs and the availability of project funds. A forecast of anticipated project personnel is provided in the documentation related to country programme recommendations.

24. In summary, project posts financed from different funding sources have been used in the following instances:

(a) To perform technical functions related to a particular project, e.g., master drillers assisting in the use of well-drilling equipment and programme communication officers;

(b) To assist in handling an increased volume of work in a country, such as during a period of relief and rehabilitation or severe financial difficulties affecting social services;

(c) To assist in the implementation of supplementary-funded projects financed from specific-purpose contributions;

(d) To introduce innovative technologies or experiments in projects or in country programmes, or as part of global funds programmes at headquarters/regional offices;

(e) To perform technical support or planning, monitoring, advisory functions in provincial or district offices closer to programme implementation at the community level.

25. As a cumulative result of the developments outlined above, the number of core posts at headquarters was reduced from 603 in 1983 to 547 in 1986, and increased to 560 by 1992. The number of project posts at headquarters increased from 12 in 1983 to 77 in 1986, and to 335 in 1992. This increase was noted in project posts funded by general resources in the global programme budget from 12 in 1983 to 56 in 1986, and to 139 in 1992, and in project posts funded by income from procurement services from 21 in 1986 to 54 in 1992. Three new types of project posts, i.e., posts charged directly to supplementary funding, posts funded by the 6 per cent recovery and posts funded by special accounts (funds-in-trust) were noted in 1992.

26. The number of core posts in the field, i.e., country and regional offices, increased from 1,335 in 1983 to 1,652 in 1986 and was reduced to 1,539 by 1992. The number of project posts in the field increased from 1,176 in 1983 to 1,624 in 1986, and to 3,067 in 1992. It should be noted that 1992 data on project posts can be identified by funding sources, while that is not possible for 1983 or 1986.

27. In order to review trends over a 10-year period, the years 1983 and 1986 were used based on the major changes noted in these two years. In 1983, for example, the Executive Board included decisions for a substantial redeployment of core posts from headquarters to the field and the conversion of core posts to project posts at headquarters (see para. 4 above). The year 1986 involved major changes such as the definition of overhead costs, the use of the 6 per cent recovery from supplementary funds for project posts and extrabudgetary posts (see paras. 9-14 above).

28. Staffing trends at headquarters and in the field by the type of posts, i.e., core and project, for 1983, 1986 and 1992 are shown in table 1 below.

TABLE 1. Various types of posts by funding source at headquarters and in the field

	1983	1986	1992
HEADQUARTERS			
Core posts a/			
Charged to administrative and programme support budget	603	547	560
Project posts b/			
Charged directly to supplementary funding			40
Funded by general resources in global programme budgets	12	56	139
Funded by the 6 per cent recovery			99
Funded by income from procurement services		21	54
Funded by special accounts (funds-in-trust)			3
Subtotal, Project posts	12	77	335
Subtotal, Headquarters	615	624	895
FIELD			
Core posts a/			
Charged to administrative and programme support budget	1,335	1,652	1,539
Project posts b/			
Funded by general resources in country programmes			1,970
Funded by supplementary funds in country programmes			1,033
Funded by general resources in global programme budgets			63
Funded by income from procurement services			1
Subtotal, Project posts	1,176	1,624	3,067
Subtotal, Field	2,511	3,276	4,606
Total core posts	1,938	2,199	2,099
Total project posts	1,188	1,701	3,402
GRAND TOTAL	[illegible]	[illegible]	[illegible]

a/ Based on Executive Board-approved core posts for the 1992-1993 biennium.

b/ Based on project post totals from 12 December 1991 summaries.

29. Table 2 below provides data on core and project posts for the same years (1983, 1986 and 1992), including variances in terms of numbers and percentages between 1983 and 1986, and between 1986 and 1992. Figures I, II, and III below present the same data separately for core posts and project posts at headquarters and in the field, and for the combined total of posts at headquarters and in the field.

30. Data on headquarters posts for 1983 and 1986 indicate a reduction of 56 core posts and an addition of 13 core posts between 1986 and 1992. For the field, the number of core posts increased by 317 between 1983 and 1986, which was reduced by 113 between 1986 and 1992.

31. The total number of project posts increased by 513 between 1983 and 1986, and a considerable growth of 1,701 project posts was noted between 1986 and 1992. Between 1983 and 1986, project posts were increased by 65 at headquarters and 448 in the field. Higher rates of growth of project posts were noted between 1986 and 1992, with 258 additional project posts at headquarters and 1,443 posts in the field.

TABLE 2. Growth in posts at headquarters and field locations

	1983	1986	1992	Variance 1986 vs. 1983		Variance 1992 vs. 1986	
				Amount	%	Amount	%
CORE POSTS							
Headquarters	603	547	560	(56)	(9.3)	13	2.4
Field	1,335	1,652	1,539	317	23.7	(113)	(6.8)
Total, Core posts	1,938	2,199	2,099	261	13.5	(100)	(4.5)
PROJECT POSTS							
Headquarters	12	77	335	65	541.7	258	335.1
Field	1,176	1,624	3,067	448	38.1	1,443	88.9
Total, Project posts	1,188	1,701	3,402	513	43.2	1,701	100.0
TOTAL POSTS	3,126	3,900	5,501	774	24.8	1,601	41.1
Headquarters	615	624	895	9	1.5	271	43.4
Field	2,511	3,276	4,606	765	30.5	1,330	40.6

FIGURE I. Growth in core posts: headquarters vs. field

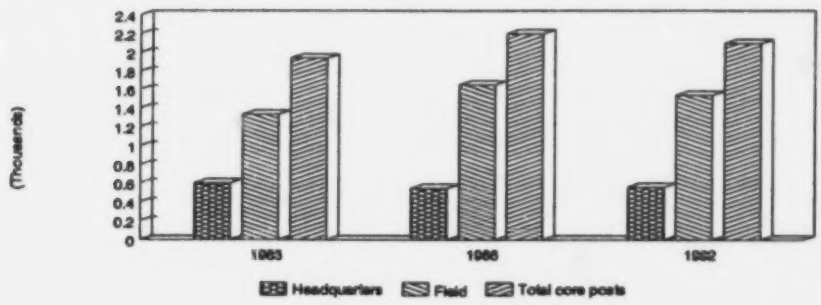


FIGURE II. Growth in project posts: headquarters vs. field

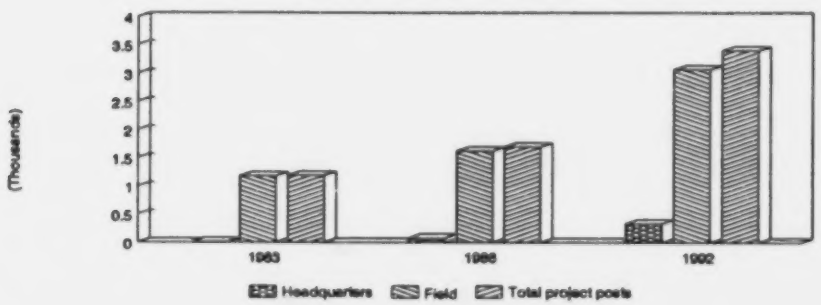
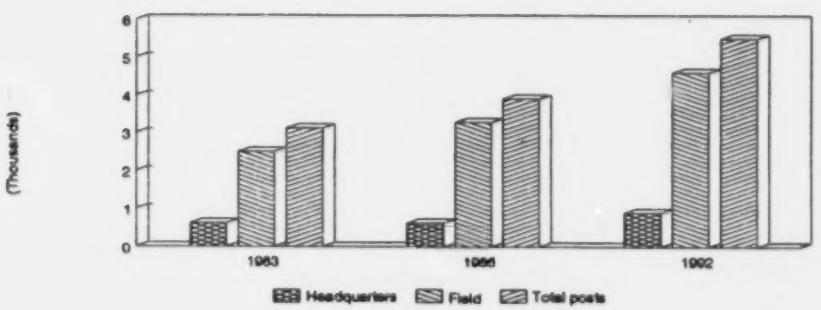


FIGURE III. Growth in total posts: headquarters vs. field



32. Table 3 below reflects the distribution of core and project posts between headquarters and the field for the years 1983, 1986 and 1992. It indicates that the proportion of core posts at headquarters was reduced from 31 per cent in 1983 to 25 per cent in 1986, and increased to approximately 27 per cent by 1992. On the other hand, the proportion of project posts increased from 1 per cent in 1983 to 4.5 per cent in 1986, and to 9.8 per cent in 1992. The combined total of core and project posts indicates a reduction from close to 20 per cent in 1983 to 16 per cent in 1986, which has been maintained at that level by 1992.

33. The percentage distribution of core posts, project posts and combined total posts is shown in figures IV, V and VI below.

TABLE 3. Percentage distribution of posts at headquarters and field locations

	1983	% Distribution	1986	% Distribution	1992	% Distribution
CORE POSTS						
Headquarters	603	31.1	547	24.9	560	26.7
Field	1,335	68.9	1,652	75.1	1,539	73.3
Total, Core posts	1,938	100.0	2,199	100.0	2,099	100.0
PROJECT POSTS						
Headquarters	12	1.0	77	4.5	335	9.8
Field	1,176	99.0	1,624	95.5	3,067	90.2
Total, Project posts	1,188	100.0	1,701	100.0	3,402	100.0
TOTAL POSTS	3,126	100.0	3,900	100.0	5,501	100.0
Headquarters	615	19.7	624	16.0	895	16.3
Field	2,511	80.3	3,276	84.0	4,606	83.7

FIGURE IV. Percentage distribution of core posts: headquarters vs. field

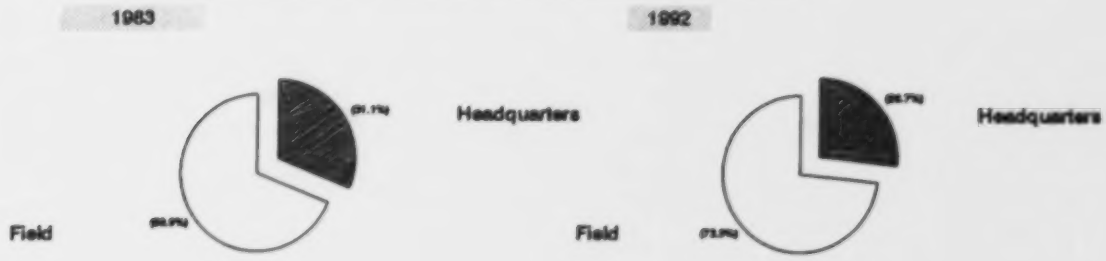


FIGURE V. Percentage distribution of project posts: headquarters vs. field

FIGURE VI. Percentage distribution of total posts: headquarters vs. field

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34. The overhead ratio is the percentage of the costs related to overall policy, external relations and general administration functions of the organization to total net expenditure (total programme expenditure plus total net administrative and programme support budget). This formula was recommended in 1981 by the Joint Inspection Unit, with slight refinements over the years with the guidance of the Advisory Committee on Administrative and Budgetary Questions.

35. Based on Executive Board-approved appropriations, it is noted that the overhead ratio for the revised budget for the 1990-1991 biennium is 8.99 per cent, and 10.09 per cent for the proposed biennium 1992-1993 (E/ICEF/1991/15). (See table 4 and figure VII below for the overhead ratio of the organization for the years 1982 to 1993.)

36. The administrative budget ratio is the percentage of the net administrative and programme support budget to total net expenditure (total programme expenditure plus total net administrative and programme support budget). (See table 5 and figure VIII below for the administrative budget ratio of the organization for the years 1982 to 1993.)

TABLE 4. Overhead ratio, 1982–1993

In millions of United States dollars	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Net administrative budget	31.0	36.2	35.0	37.8	42.4	42.4	48.4	57.4	65.1	75.5	92.9	94.7
Total net expenditure	277.5	321.5	327.7	369.3	432.2	476.3	506.6	627.3	728.0	831.6	896.1	931.9
Overhead ratio (%)	11.2	11.3	10.7	10.2	9.8	8.9	9.6	9.2	8.9	9.1	10.4	10.2

1982–1991 actual and 1992–1993 estimated based on 1991 medium-term plan (E/ICEF/1991/3).

FIGURE VII. Overhead ratio, 1982–1993

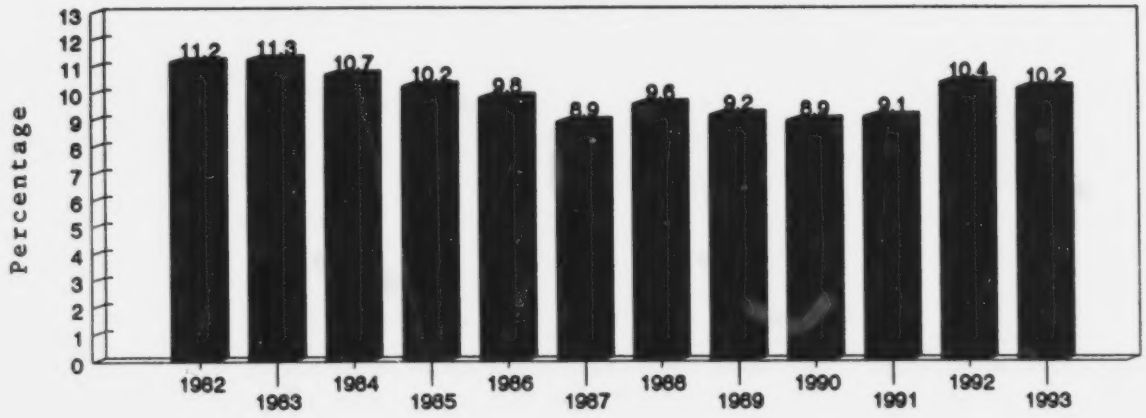

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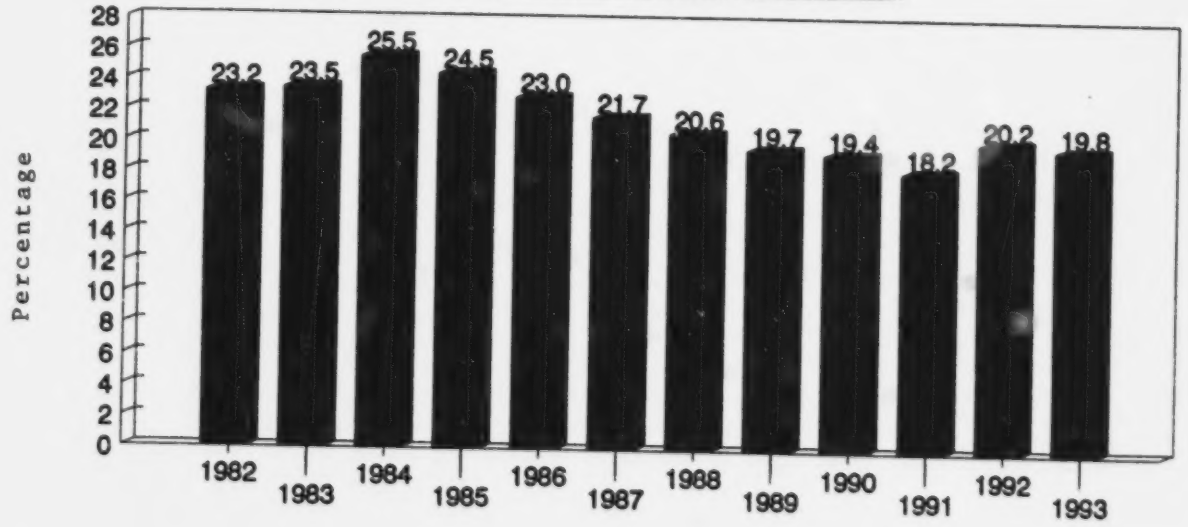
TABLE 5. Administrative budget ratio, 1982–1993

In millions of United States dollars	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Net budget	64.5	75.5	83.7	90.3	99.2	103.3	104.6	123.3	141.0	151.6	181.1	184.9
Total net expenditure	277.5	321.5	327.7	369.3	432.2	476.3	506.6	627.3	728.0	831.6	896.1	931.9
Administrative budget ratio (%)	23.2	23.5	25.5	24.5	23.0	21.7	20.6	19.7	19.4	18.2	20.2	19.8

1982–1991 actual and 1992–1993 estimated based on 1991 medium-term plan (E/ICEF/1991/3).

FIGURE VIII. Administrative budget ratio, 1982–1993



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II. CRITERIA FOR CORE POSTS AND PROJECT POSTS

37. The Executive Director proposes the following criteria for core and project posts.

A. Criteria for core posts

38. The basic core functions of any UNICEF office should be in the areas of representation/management, programme, operations and external relations.

39. A post is defined as core if the function of a post is to direct or head a UNICEF regional, country or sub-office in the field or to head a division or a section at headquarters; or if the function of a post involves management, control, supervision, information processing, administration, information fund-raising, advocacy, social mobilization, programme policy or programme planning and coordination. With this rationale, the posts of country representative and other key posts of programme coordination, operations and external relations are core posts in almost all cases. Exceptions could be made in unusual circumstances.

40. General Service posts in the above-mentioned areas should also be core posts.

B. Criteria for project posts

41. The first category of project functions should refer to technical support, expertise and services to plan, implement, monitor, evaluate, improve and strengthen programmes/projects. As such, project posts dealing with health, nutrition, water supply/sanitation and education programmes are an integral part of programme inputs for effective service delivery, along with supplies, the training of government staff or community people and cash assistance.

42. Project posts in this category should be established on the basis of programme needs and the staff costs charged to country programme budgets at the country level and to global funds at regional and headquarters offices. As such, there is a direct link between a project post and the specific project budget to which the post is charged.

43. In a five-year country programme, it is possible to establish a project post as part of the general resources budget for a five-year period. If a project post is to be financed from supplementary funds, donor agreement is required for the use of supplementary funds for that post, and the post can be established with the approval of the Budget Planning and Review Committee on the basis of availability of supplementary funds.

44. The second category should refer to project posts related to the 6 per cent recovery on supplementary funds (see para. 9 above). It should be

noted that while they are defined as project posts because of their funding source, these posts perform core functions.

45. The third category should refer to extrabudgetary project posts (see paras. 13 and 14 above). It should be noted that project posts financed from procurement services income perform core functions, while some other extrabudgetary posts for special activities perform project functions.

46. The fourth category should refer to posts in district sub-offices, i.e., sub-offices within a country that has a UNICEF core office in the capital. As has been the budget policy for many years, these posts should be financed from project funds as they are an integral part of the implementation of the area-based country programme.

47. General Service posts in the four above-mentioned areas should also be defined as project posts.

III. RECOMMENDATIONS AND IMPLICATIONS

A. Recommendations

48. The Executive Director recommends:

(a) That the criteria proposed for core and project posts should be approved by the Executive Board at its 1992 session;

(b) That the criteria should be applied consistently to all posts at headquarters and in the field;

(c) That the criteria should be used to make appropriate realignments of posts from project to core and from core to project in the upcoming budget review process and that realignments should be presented to the Executive Board in 1993 as part of the administrative and programme support budget and global funds programme budget.

49. The Executive Director further recommends the following: in reviewing the issues in the present paper, and in beginning the review of various divisions as part of the biennium budget process, it has become apparent that a reorganization of the advisory clusters of the Programme Division needs to be planned. To facilitate more effective management and coordination of advisory services at headquarters, it is proposed that for the 1994-1995 proposed budget, four or five well-defined clusters should be established. Although the planning process for this purpose is still under way, the clusters are likely to be in the areas of health, nutrition, education, water supply/environment/sanitation and an intersectoral cluster to include issues of women, urban child, etc.

50. The posts heading the programme clusters not only perform the technical advisory functions both at policy and programme levels based on their technical expertise and skills, but also perform management, administrative

and leadership functions for their respective clusters, including budget preparation and control, supervision of staff, preparation of work plans, coordination with other sections and representation of the respective clusters within the Programme Division with other parts of the organization, including country and regional offices, and in other key international circles and United Nations agencies.

51. With these core functions, the posts heading key clusters will be considered as core posts, while other technical posts in the clusters and reporting to the cluster head could be considered as project posts based on their project functions related to technical support in specific programme areas.

B. Implications

52. As mentioned earlier, a detailed review based on the criteria approved by the Executive Board will be undertaken in the context of the upcoming budget review exercise. An early indication based on the above criteria shows that their application to existing posts might involve the realignment of several dozen posts, but the net increase is expected to be small, with an increase of two core international Professional posts and a similar reduction of project posts.

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THE STRUCTURE AND FORMAT OF BUDGET DOCUMENTS: REVIEW OF THE UNICEF JOB CLASSIFICATION SYSTEM

SUMMARY

The present document describes the evolution of the job classification system in UNICEF and its relationship with the standards promulgated by the International Civil Service Commission (ICSC). (The Master Standard for classification of Professional posts, based on the ICSC Master Standard, is included in the annex to the present document.) It details the system from the establishment of posts, through the budget exercise, to the classification of posts through technical reviews and by job classification panels.

The document focuses on the criteria applied to the classification of D-1 and D-2 posts, both at headquarters and in field offices. It explains the various special considerations given to and proposed for classifying senior-level posts in terms of the particular needs of UNICEF.

The final chapter of the document relates the classification process to more recent developments in human resources planning within UNICEF.

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INTRODUCTION

1. The 1991 Executive Board, in its decision 1991/30 (E/ICEF/1991/15), requested UNICEF to review the criteria for grading staff, in particular at the D-1 and D-2 levels. The present report has been prepared in response to that request, with guidance from the Reference Group on the Structure and Format of Budget Documents.

I. JOB CLASSIFICATION SYSTEM IN UNICEF

A. Historical evolution of job classification

2. Until the late 1970s, UNICEF looked to its budget reviews to aid i financial planning and to its annual staff reviews for identifying promotable staff members. In those years, the pyramid of posts in the UNICEF budget usually reflected more of the performance and promotability of incumbents than of the demands of the office and the job. In 1979, however, a job classification system was introduced as a management tool.

3. Accordingly, job classification criteria were developed for both Professional and General Service categories, followed by a comprehensive review of all posts. The findings of that review were implemented in 1980.

4. The new classification system enabled UNICEF to determine appropriate numbers, levels and the distribution of posts based on attributes of the positions rather than on those of their incumbents.

5. It was in that same year, 1980, but after UNICEF had applied its job classification system, that the International Civil Service Commission (ICSC) promulgated common classification standards for use by all United Nations organizations. Agencies were to implement the system as soon as possible, but in phases because of the sheer volume of work involved in its system-wide implementation, particularly for those agencies having to convert from their existing job classification system. UNICEF then discontinued the use of its earlier criteria and adopted the newly promulgated ICSC standards (see the annex to the present document). The transition from UNICEF standards to those of ICSC was not difficult; the factors for evaluation in the ICSC Master Standard were similar to those used by UNICEF up to that time. Since all Professional jobs at UNICEF had been classified in the same year or only one year prior to the promulgation of the ICSC standards in 1980, UNICEF applied the new standards to the review of proposals for creating new posts or upgrading existing posts. Existing posts retained their grades, except where major changes in their functions and responsibilities were anticipated. ICSC concurred with these procedures.

6. When ICSC promulgated the standards in 1980, it envisioned that the standards would consist of three tiers of classification criteria:

(a) Tier I (or Master) Standard, which is a factor-point rating system generally applicable to all jobs throughout the United Nations system. In this system, jobs are evaluated by analysing such requirements as degrees of accountability, levels of managerial responsibilities and diversity of knowledge, academic training and work experience. Such analyses result in ranges of scores into which all Professional grades fall. This standard was promulgated in 1980 when ICSC first introduced the common job classification system;

(b) Tier II Standards, intended to serve as "benchmarks", or examples for jobs at various grades in specific occupational areas. Following the promulgation of the Tier I Standard, ICSC began developing these "benchmark" job descriptions, as part of Tier II Standards, for typical occupations that are common throughout the United Nations system. ICSC promulgated such benchmark job descriptions for several occupational groups in the early 1980s, to be used along with the Master Standard. Since then, ICSC has continued to develop and promulgate benchmarks for occupations that are common throughout the United Nations system. Today, Tier II covers 13 occupational areas (approximately 80 job descriptions), and many more are being developed to be included in the standards;

(c) Tier III Standards are intended to enable individual agencies to adapt the Tier II Standards to their particular needs and structures, thereby developing their own benchmarks for specific existing occupational groups. Similar to the Tier II Standards, these benchmarks would describe typical job attributes and duties representing specific grade levels in certain occupational groups and would be used to analyse and grade jobs in those groups. These benchmarks, once developed and perfected, must be submitted to ICSC to ensure that they are comparable to the common system grade-level standards. If they are seen as meeting ICSC Tiers I or II Standards, they are then promulgated by ICSC. No agency has yet requested ICSC to promulgate any Tier III Standards.

B. Job classification and the budget process

7. Job classification is an integral part of the budget planning and review process in UNICEF. As a result, posts are classified in relation to the planning period of the biennium budgets. During the period when the biennium budgets are prepared, the Budget Planning and Review Committee examines and expresses its opinion on proposals for creating or upgrading posts. Those posts that the Committee agrees to recommend for inclusion in the budget proposals are then reviewed against the Tier I and Tier II Standards (in cases where benchmarks already exist) to determine the appropriateness of the proposed grade levels. With the endorsement of the Executive Director, the proposed classified levels are then included in the budget proposals for review by the Executive Board. Quarterly budget reviews are conducted to accommodate the establishment of additional project posts required by field offices in support of country programmes. The same process takes place for the classification of such new posts.

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8. During the past few years, a proper classification of D-1 and D-2 posts, other than representative posts, has not taken place, even though the classification process for other grades has been refined. This refinement has led to considerable improvement and enhanced objectivity; in the past, a number of job classification panel proposals were not approved by the Executive Director. In the 1992-1993 biennium, however, he endorsed all but one. The classification of D-1 and D-2 posts is addressed in detail in the present paper.

9. No upgradings are allowed between biennium budget periods. Moreover, UNICEF regards all upgraded posts as new posts. After classification, they are advertised in the internal vacancy bulletins. The incumbents of the upgraded posts are eligible to apply for such posts, as are all staff members throughout the organization. These posts may also be advertised externally if it is clear that only very few internal candidates qualify. In the 1990-1991 biennium, 164 Professional posts were upgraded, and incumbents of 76 were promoted in the new posts. In the event that the incumbent of the old post is not appointed to the new post, the organization makes every reasonable effort to place the incumbent in another suitable post in accordance with established UNICEF policy. Similarly, a post that reports to an upgraded post is not automatically upgraded. The upgrading of such posts is proposed when their responsibilities grow and job requirements become more complex. The proposals are then reviewed by the Budget Planning and Review Committee and, if endorsed, they are classified by the job classification panel.

C. Current job classification procedures

10. As soon as the Budget Planning and Review Committee completes its deliberations on proposals from field offices or work units at headquarters for the creation or upgrading of posts, the Budget Section sends the Committee's recommendations on those proposals to the Remuneration Unit, which, by then, should have received job descriptions of proposed posts and other information from the proposing offices. Any proposal submitted to the Committee for creating or upgrading posts must be accompanied by written justifications and fully developed job descriptions.

11. Since 1984, UNICEF has used a two-pronged approach in classifying all Professional officer posts from levels 1 to 5 and General Service posts. It includes a "technical review", conducted by classification specialists, and a "panel review", whereby consensus is reached by a slate of peer staff members. All new posts are subject to technical review; proposals for upgrading are reviewed by the job classification panel. The panel is also exclusively responsible for (a) reclassification from the General Service category to the Professional category; and (b) recourse requests for technically graded posts.

12. The classification panel approach reflects the desire of UNICEF to preserve the tradition of management-staff consultations, at the same time benefiting from the available technical knowledge and experience in each relevant specialty. The panel's normal complement of 12 staff members is appointed by the Executive Director from among nominations submitted by division heads, the Global Staff Association and the Division of Personnel. The Remuneration Unit in the Division of Personnel provides the panel with technical training, guidance and direction in the use and application of the classification standards.

13. Both the "technical" and "panel" reviews are conducted with the ICSC Tier I Master Standard, and they use a standardized scoring worksheet for each post, arriving at the appropriate range of scores for determining the grade level. In cases where a benchmark is available from the Tier II Standards, it is also used to examine or validate the scoring results.

14. Of equal importance in the review of any job is the nature of the particular organizational structure surrounding it. When a job is reviewed, not only the job description is analysed against the classification criteria, so is the relevant office organization chart. This is done in order (a) to understand the post's placement in its work environment; (b) to become familiar with the workload distribution of posts; and (c) to determine the effect of the post's responsibility and role compared with other posts in that office. To clarify the accountability of posts within an office, it is often necessary to review job descriptions of posts that are related to the primary post being reviewed. It is also customary for the remuneration officers to gather additional information about such posts from appropriate staff members or from the offices proposing the grading of the post.

15. It is noteworthy that all posts were classified via the panel review before 1983. By then, the large number of posts to be reviewed in conjunction with the biennium budget process made it necessary to find ways to expedite the classification process. After intensive in-house consultations, the job classification panel proposed that it would no longer review all posts requiring classification, but only those for which no clear precedent had already been established by the panel. Consequently, a revised procedure was instituted in 1984, enabling the remuneration specialists of the Division of Personnel to classify posts without panel review, via a "technical review". Most new posts fell into that category, requiring only "technical review" for grading. The job classification panel was to be informed periodically of the results of such reviews by the Remuneration Unit.

II. REVIEW OF UNICEF JOB CLASSIFICATION CRITERIA APPLIED TO D-1 AND D-2 LEVEL POSTS

16. The Senior Staff Review Committee is the decision-making body for senior staff appointments and promotions. It is also the forum that considers possibilities for creating or upgrading both representative posts (P-5 to D-2) and senior posts at the D-1 and D-2 levels at headquarters' locations. The Committee is chaired by the Executive Director. The three Deputy Executive Directors and the Directors of the Programme Division and the Division of Personnel are members, with the Deputy Director of the Division of Personnel serving as secretary. The six regional directors are alternate members of the group, and they join the Committee meetings if they are visiting New York and during the biannual regional directors' meetings.

17. The Senior Staff Review Committee deliberates on needs of new posts or upgrading of existing posts when special job requirements emerge from newly identified programme areas or particular operational mechanisms that must be strengthened. These new requirements are often created by future global and/or country-specific trends and developments as perceived by the Executive Director and/or as directed by the Executive Board. The Director of the Division of Personnel advises the Committee on desirable grade levels for those proposed senior positions, at both headquarters and field duty stations, using various job classification indicators derived from the ICSC Tier I Master Standard. (Posts that had been graded at the D-1 and D-2 levels before the 1980 promulgation of the ICSC Master Standard stayed at their levels because they were reviewed and classified in 1979 and 1980.)

A. Review of criteria applied to posts at the D-1 and D-2 levels at UNICEF headquarters' locations

18. At UNICEF headquarters, D-1 and D-2 posts demand of their incumbents a level of qualifications second only to that of the Executive Director and his deputies and, as such, the most important areas of their responsibility, measurable against the ICSC Tier I Master Standard, can be described as follows:

(a) Accountability for UNICEF progress towards achievement of major external and internal goals. Posts at the D-1 and D-2 levels have the most direct responsibility for the consequences of UNICEF activities in support of relevant national programmes, in cooperation with other organizations, and in the conduct of non-programme operations;

(b) Authority to develop, independently, UNICEF goals, policies, new approaches, strategies, operational and administrative systems and procedures, and to negotiate with governmental and non-governmental institutions;

(c) Managerial responsibility as measured by the scope and complexity of the job environment; degree of professional knowledge required; type and extent of work relations, both inside and outside the organization; demand for overseeing and evaluating overall effectiveness of performance in the area of responsibility; monitoring achievement of stated goals and objectives; control of optimum, timely and appropriate utilization of financial resources; safeguarding organizational, human and fixed assets; and degree of required leadership, direction, guidance and motivation of staff.

19. A division or an office at headquarters typically comprises a number of functionally specialized units that collectively administer or control a large proportion of the organization's financial resources. It may plan and implement far-reaching innovations in global policies, processes or strategies that affect country cooperative programmes. Typically, D-1 and D-2 grades are assigned to posts that head such divisions or offices requiring the levels of accountability, authority and managerial responsibility described above. D-1 and D-2 posts are normally distributed in the following patterns:

(a) D-2 level: head of a division with a group of 10 or more Professional-level posts with critically important functions, or head of a group of 3 to 6 Professional posts charged with the authority to develop and design UNICEF strategies;

(b) D-1 level: deputy to a division director, or head of a section with three to six Professional staff responsible for sectoral and/or geographical advisory services.

20. Thirty-four of a total of 55 posts at the D-1 and D-2 levels at headquarters' locations are posts of division director, deputy division director or section chief. In preparing the present report, examples of typical D-1 and D-2 posts were examined, using the ICSC Tier I Master Standard. The results demonstrate that those sampled meet the criteria in all of the major determining factors of the levels assigned to them.

21. There are some D-1 and D-2 posts heading work units that are small and intended to concentrate, primarily and full-time, on developing new and forward-looking policies and strategies, with secondary emphasis on administration.

22. Some senior advisory posts are graded at L-6 and L-7, equivalent to D-1 and D-2 levels. These posts carry duties related directly to organizational goals and strategies, planning and evaluation of UNICEF technical cooperation activities, fund-raising and advocacy. They play critical roles in strengthening and integrating headquarters' support for UNICEF field offices. These posts are also responsible for the coordination of policy and guidance with the Executive Board, and for policy and fund-raising, as well as representing UNICEF before international organizations, various bodies of the United Nations system, non-governmental organizations and the mass media. For classification purposes, they are treated in the same manner as D-1 and D-2 posts.

B. Review of criteria applied to representative posts at UNICEF field offices

23. UNICEF uses the standard classification criteria (ICSC Tier I Master Standard) as a basis for the classification of UNICEF representative posts. As described in the revised budget estimates for the biennium 1990-1991 and budget estimates for the biennium 1992-1993 (E/ICEF/1991/AB/L.1 and Add.1), submitted to and endorsed by the Executive Board at its 1991 session, additional criteria are used in determining grade levels for the posts of UNICEF representatives. They are: (a) total programme expenditure in the given country; (b) total number of Professional staff supervised; and (c) level of operating costs in the administrative budget.

24. Using the above indicators, a recently developed computer model arrived at recommended grade levels for the heads of country offices. The model was then used to set grade levels of representatives for possible inclusion in the 1992-1993 biennial budget.

25. As mentioned above, other factors that are indicators of the ICSC Tier I Master Standard are analysed and taken into consideration, in addition to those statistical analyses, in finally assigning grade levels to representative posts. Similar to senior posts at headquarters' locations, the posts of UNICEF representative exercise managerial authority at a relatively high level and are accountable to the Executive Director and his deputies in various programme, external relations and operational areas of responsibility. These field posts exist in the organization's decentralized managerial environs in which they are expected to function with maximum independence within the framework of existing operational policies and guidelines. In recent years, as UNICEF and partner Governments became engaged increasingly in time-bound and goal-oriented programmes of cooperation (e.g., primary health care, universal child immunization and other Summit goals), the job requirements of representative have become more complex. Among other responsibilities, UNICEF representatives must maintain a dialogue with the highest authorities in advocacy for children and women, while at the same time promoting policy development and supporting action programmes to assist the partner Governments in developing, implementing and monitoring progress of short- and long-term national action plans to attain Summit goals.

III. NEW DEVELOPMENTS IN HUMAN RESOURCES PLANNING

26. Today, after the first decade of using the job classification system, every post in UNICEF has an individual job description. That process made it clear that the duties of many jobs fell into recognizable patterns, regardless of where they happened to be around the world. It is now possible, therefore, to envision and develop composite, or standard, versions of such families of jobs.

27. In late 1990, UNICEF began developing generic Professional job descriptions for major occupational areas, containing core standard functions at each grade level. Drafts were completed for 45 posts covering the following occupational areas: programme management; external relations; administration/finance/personnel; health; water supply and sanitation; education; and supply operations. (A wide selection of experienced staff at headquarters and in field offices contributed extensively to those drafts through seminars and/or by actually writing them.) In January 1992, a special job classification panel met to classify them using the ICSC Tiers I and II Standards.

28. Generic job descriptions for posts of UNICEF representative and assistant representative have also been developed from P-4 to D-2 levels. These generic job descriptions will take into consideration all the factors of the Tier I Master Classification Standard as well as the elements that are utilized in determining the grade levels of representative posts as outlined in paragraph 23 above. Further work in the development of job descriptions is planned to cover most of the common key fields of UNICEF work. It is intended that such generic job descriptions will become an integral part of the job classification process and that they will be referred to in the evaluation of posts. They will also provide examples of the organization's standards of work at each grade level. After sufficient experience is gained in the use of these generic job descriptions, ICSC will be requested to promulgate them as UNICEF Tier III benchmark standards. UNICEF will keep ICSC informed of the progress made in the course of developing and using these generic job descriptions, and will seek close cooperation with and guidance from ICSC in finalizing them as benchmarks.

29. In addition to the Common Classification of Occupational Group codes which remain as the UNICEF post coding system, a coding system that identifies posts in terms of the organization's particular occupational groups is being developed as another element of human resources planning and to improve the job classification system. UNICEF is also examining possible alternative office structures to arrive at optimum compatibility between job descriptions and their work environments.

30. As part of such efforts in human resources planning and development, headquarters posts at the D-1 and D-2 levels will soon be reviewed against ICSC standards. The intention is to standardize the job descriptions as much as possible in line with the strategy applied to other Professional and General Service posts. It is proposed that a job classification panel be constituted, with senior staff as members, to provide the Executive Director with the views of peer groups on the senior posts, in addition to technical analyses presented by the Division of Personnel, thereby facilitating the Committee's determination of grades. This proposed job description panel (which may be called the Senior Job Classification Panel) will use both ICSC Tiers I and II Standards for their review. It may sometimes be necessary for the panel to consider, in its analyses of attributes of posts, factors unique only to UNICEF that may influence the consistent application of ICSC standards. While further reviews throughout the organization are expected in

the near future, UNICEF will consult ICSC for its technical input with a view to developing generic or benchmark job descriptions for this particular group of senior posts. That exercise may then lead, in future, to the promulgation of UNICEF Tier III senior post benchmarks by ICSC.

Annex

MASTER STANDARD FOR CLASSIFICATION OF PROFESSIONAL POSTS

INTRODUCTION

UNICEF had adopted the ICSC Master Standard for classification of its Professional posts. The Master Standard is a point factor classification method based on six factors. Using the Master Standard, the posts are analysed in terms of the six factors and point values are assigned for these. A total point rating for a particular post falls within a point range which indicates the appropriate grade level of the post.

This booklet contains the point schedules of the six factors and is a working tool for the Remuneration Unit and the Classification Panel for Professional posts.

In determining whether a post conforms to Professional standards, please refer to the following definition:

> "Professional work is analytical, evaluative, conceptual, interpretive and/or creative and thus requires the application of basic principles of an organized body of theoretical knowledge, such as a field of science, learning or specialized discipline. It is intricate and involves a level of difficulty and complexity requiring the identification and consideration not only of the interrelationships between its constituent elements, which are of a varied and diverse nature, but also the broader context and perspective within which it is performed, including its impact on, and interrelationships with, the larger objectives and programmes of the organization. It requires judgement in analysing and evaluating problems and in decision-making involving discretionary choices between alternative courses of action."

FACTOR: PROFESSIONAL KNOWLEDGE REQUIRED

This factor measures the theoretical knowledge and practical experience in applying that knowledge required by the job.

Practical experience required \ Theoretical knowledge required	1. Knowledge at first university degree or its equivalent in training and self-study.	2. Knowledge at advanced university degree level or its equivalent in training and self-study.	3. Knowledge at highest university degree level or its equivalent in training and self-study.
A. Experience in applying theoretical knowledge at national level for up to one year.	100 150 200	200 250 300	300 350 400
B. Experience in applying theoretical knowledge at national level from one up to five years; OR at international level for up to two years.	150 200 250	250 300 350	350 400 450
C. Experience in applying theoretical knowledge at national level for over five up to ten years; OR at international level for over two up to five years.	200 250 300	300 350 400	400 450 500
D. Both of the above.	250 300 350	350 400 450	450 500 550
E. Experience in applying theoretical knowledge at national level for over 10 years; OR at international level for over five up to ten years.	300 350 400	400 450 500	500 550 600
F. Both of the above.	350 400 450	450 500 550	550 600 650
G. Experience in applying theoretical knowledge at international level for over ten years.	400 450 500	500 550 600	600 650 700
Language knowledge required	The job requires that the incumbent have proficiency in one language. (0 points)	The job requires that the incumbent have proficiency in two languages. (+50 points)	The job requires that the incumbent have proficiency in three or more languages. (+100 points)

Note: This is the only three dimensional factor. In applying this factor the appropriate level of theoretical knowledge required by the job (i.e., the horizontal element) is identified first. Then the requirements of the job in terms of the level of practical experience in having applied that theoretical knowledge (i.e., the vertical element) are determined. The appropriate box that corresponds to the two elements identified is found. Finally, depending upon the language knowledge requirements of the job (i.e., the third dimension), the appropriate point value is chosen from among the three values indicated in that box. If proficiency in one language is required then the lowest score is allocated. The middle score is given for the requirement of proficiency in two languages and the highest score for the requirement of proficiency in three languages.

FACTOR: DIFFICULTY OF WORK

This factor measures the mental demands of the job in terms of complexity of the work and the degree of individual contribution required.

Complexity of assigned work \ Individual contribution	4. Essentially the synthesis, conversion and presentation of data requiring the application of the basic principles of the profession.	5. Analysing data, identifying problems, drawing conclusions and making recommendations; OR interpreting rules, procedures of tests; OR language interpretation or translation.	6. Same as 5 plus either endorsing recommendations or taking corrective or adaptive action; OR revising work at level 5.	7. Developing new approaches, procedures, techniques or terminology as an appreciable part of work; OR planning, integrating and coordinating work of predominantly level 6 positions.	8. As a major part of the work, developing new concepts, theories or policies in the solution of delicate or significant problems; OR launching major activities in new fields; OR planning, coordinating and directing work of predominantly level 6 or above positions in diverse organizational entities.	9. Planning, coordinating and directing a vital area of the Organization's work characterized by a significant number of level 8 top positions; OR planning, coordinating and directing total performance of several diverse organizational entities spanning a broad segment of the Organization's work.
H. Moderately intricate although restricted in scope and depth of treatment of subject matter.	140	220	300	385	470	560
I. Intricate with interrelationships within the subject matter not clearly evident. Either broad in scope but restricted in depth of treatment of subject matter OR restricted in scope but requiring considerable depth of treatment.	200	280	360	445	530	620
J. Substantial intricacy of subject matter. Either broad in scope but restricted in depth of treatment of subject matter OR restricted in scope but requiring considerable depth of treatment. Problems are difficult to solve.	260	340	420	505	590	680
K. Substantial intricacy of subject matter. Broad in scope and requiring considerable depth of treatment of subject matter. Problems difficult to define and complex considerations involved in solving them.	320	400	480	565	650	740
L. Involves great intricacy of subject matter and requires that several diverse phases are pursued concurrently. Extremely broad in scope and requiring considerable depth of treatment of subject matter. Problems very difficult to define and highly complex considerations (such as the impact of alternative possible solutions on other major areas of work or other organizations) involved in solving them.	380	460	540	625	710	800

FACTOR: INDEPENDENCE OF WORK

This factor measures the degree to which guidelines apply to the work and the amount of supervisory assistance and control given.

Application of guidelines / Supervisory controls over Incumbent	10. Procedures for doing the work have been standardized and a number of specific applicable guidelines are available.	11. Procedures for doing the work may not be standardized and specific applicable guidelines are not always available	12. Guidelines are only partially relevant. Incumbent occasionally required to interpret and adapt guidelines in dealing with unusual or complex situations.	13. Guidelines are only partially relevant. Work normally requires that incumbent interpret and adapt guidelines. Incumbent may establish guidelines.	14. Guidelines are broadly stated and normally require extensive interpretation. Significant departures from guidelines normally required for majority of work. Incumbent has authority to establish important guidelines.	15. Guidelines are only stated in the broadest policy terms and in terms of the over-all mission of the Organization. Incumbent has authority to establish guidelines of major importance.
M. Specific instructions are provided. Work regularly checked in process and end product reviewed for adherence to instructions, soundness of conclusions and accuracy.	110	160	210	260	310	360
N. Purpose and desired results indicated and anticipated problems discussed beforehand. Other problems that arise are discussed with supervisor. Specific instructions are provided for new assignments and the approach is normally defined by the supervisor. Work in progress periodically reviewed. End product reviewed by soundness of conclusions and accuracy.	170	220	270	320	370	420
O. Purpose and desired results indicated. The approach is normally developed jointly between incumbent and supervisor. Problems that occur are discussed at discretion of official. Work in process reviewed at discretion of supervisor. End product reviewed for soundness of conclusions and judgement	230	280	330	380	430	480
P. General objectives and boundaries indicated. Incumbent develops approach to follow which may be reviewed beforehand by supervisor. Work in process is reviewed with supervisor only when incumbent feels it is necessary. End product reviewed for attainment of objectives.	310	360	410	460	510	560
Q. General objectives and desired results are discussed between supervisor and incumbent. Results are reviewed for attainment of objectives.	380	430	480	530	580	630
R. Incumbent identifies objectives, determines desired results and communicates these to supervisor. Work considered as authoritative and normally accepted without change.	450	500	550	600	650	700

FACTOR: WORK RELATIONSHIPS

This factor measures the skill required in work relationships and the importance of contacts to the Organization's programmes.

Importance \ Skill	16. To give, obtain and exchange information requiring discussion and explanation.	17. To persuade and obtain assistance of others on matters of non-routine significance.	18. To act as adviser or representative of the Organization with authority to discuss problems and to seek: common grounds on which to recommend solutions based on predetermined guidelines provided by higher authority.	19. To act as adviser or representative of the Organization with authority to discuss problems, seek common grounds for solutions and either provide authoritative advice or commit the Organization on policy issues of limited significance.	20. To act as adviser or representative of the Organization with authority to discuss problems, seek common grounds for solutions and either provide authoritative advice or commit the Organization on policy issues of considerable significance.	21. To act as prime adviser to the executive head on policy issues of the highest significance or to act as personal representative of the executive head with mandate to make or obtain major commitments on policy issues of the highest significance to the Organization.
Inside the Organization						
1. Contacts predominantly, within same functional area.	70	110	150	190	230	255
2. Contacts predominantly within same functional area and with units outside the duty station OR outside functional area extensively throughout Organization, but generally not with units outside the duty station.	105	145	185	225	265	290
3. Both of the above.	140	180	220	260	300	325
Outside the Organization						
1. Virtually no contacts outside the Organization.	0	0	0	0	0	0
2. Contacts predominantly with persons on routine subject matters	115	155	195	235	275	300
3. Contacts predominantly with persons on subject matters of importance to Organization's programmes (e.g. counterparts in other organizations or at working level in national Governments).	190	230	270	310	350	375
4. Contacts predominantly with persons on subject matters of greater importance to Organization's programmes (e.g. heads of important organizational units in other organizations or in national Governments).	265	305	345	385	425	450
5. Contacts predominantly with persons on subject matters having a significant impact on Organization's programmes (e.g. members of Organization's legislative bodies, executive heads of other organizations, heads of delegations and Ministers in national Governments).	340	380	420	460	500	525

Note: This factor is scored differently from the others. First the skill and the importance of the inside contacts required by the job are evaluated and a point value is allocated. Then the same is done for outside contacts - if any are required. Finally, the two point scores are added together to obtain the total point value for the factor.

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FACTOR: SUPERVISORY RESPONSIBILITY

This factor measures the management responsibility of the job in terms of the numbers of staff supervised.

Responsibility for support staff / Responsibility for Professional staff	22 0 or 1 support staff	23 2 - 10 support staff	24 11 - 25 support staff	25 26 - 50 support staff	26 51 - 100 support staff	27 101- 200 support staff	28 201 - 500 support staff	29 over 500 support staff
U. 0	0	20	40	60	80	100	125	150
V. 1 - 2 Professional staff	20	40	60	80	100	120	145	170
W. 4 - 8 Professional staff	40	60	80	100	120	140	165	190
X. 9 - 20 Professional staff	60	80	100	120	140	160	185	210
Y. 21 - 40 Professional staff	80	100	120	140	160	180	205	230
Z. 41 - 70 Professional staff	100	120	140	160	180	200	225	250
A. 71 - 100 Professional staff	125	145	165	185	205	225	250	275
B. Over 100 Professional staff	150	170	190	210	230	250	275	300

FACTOR: IMPACT OF WORK

This factor measures the importance of decisions and proposals on the Organization's objectives and the consequences of errors of such objectives.

Effect on work / Consequences of errors	30. Decisions are rarely, if ever, taken. Proposals, if accepted, affect the work of the immediate organizational unit.	31. Decisions taken are limited to methods of work or individual cases. Proposals, if accepted, directly affect the accuracy, reliability and acceptability of further processes or services.	32. Decisions taken directly affect the accuracy, reliability and acceptability of further processes or services. Proposals, if accepted, directly affect the design or operation of systems, programmes or equipment.	33. Decisions taken directly affect the design or operation of systems, programmes or equipment. Proposals, if accepted, directly affect the design or operation of major systems, programmes or equipment.	34. Decisions taken directly affect the design or operation of major systems, programmes or equipment. Proposals, if accepted, directly affect a wide range of the Organization's activities, other organizations, national Governments or the well-being of large numbers of people.	35. Decisions taken directly affect a wide range of the Organization's activities. Proposals, if accepted, have a direct and substantial effect on other organizations, national Governments or the well-being of large numbers of people.	36. Decisions taken have a direct and substantial effect on a wide range of the Organization's activities. Proposals, if accepted, substantially influence the over-all future direction of the Organization and have a direct and substantial effect on other organizations, national Governments and the well-being of large numbers of people.
c. Errors normally would cause damage only to incumbent and loss of time to immediate organizational unit.	90	140	195	250	310	370	440
d. Errors normally would cause damage to the objectives of the immediate organizational unit in terms of time, quality of money.	130	180	235	290	350	410	480
e. Errors normally would cause some damage to Organization's programmes in terms of time, quality or money.	170	220	275	330	390	450	520
f. Errors normally would cause significant damage to Organization's programmes in terms of time, quality or money and some damage to Organization's commitments to constituents.	210	260	315	370	430	490	560
g. Errors would cause significant damage to Organization's major objectives and commitments to constituents.	250	300	355	410	470	530	600

CLASSIFICATION LEVELS

The point ranges for grade levels P-1 to Under-Secretary-General (USG) are as follows:

Point ranges	Grade level
800- 969	P-1
970-1 319	P-2
1 320-1 669	P-3
1 670-2 039	P-4
2 040-2 479	P-5
2 480-2 939	D-1
2 940-3 339	D-2
3 340-3 679	ASG
3 680-3 799	USG

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FOR ACTION

THE STRUCTURE AND FORMAT OF BUDGET DOCUMENTS: BUDGET FORMAT FOR COUNTRY PROGRAMME RECOMMENDATIONS

SUMMARY

The present document is the Executive Director's response to Executive Board decision 1991/30 (E/ICEF/1991/15) on the review of budget formats, which recommended greater clarity and transparency in the presentation of programme and budget proposals. The present document specifically addresses the need expressed by the Executive Board for UNICEF to study the usefulness and feasibility of presenting staffing and administrative costs for the country office together with the proposal for the country programme and budget in the documents entitled country programme recommendations.

The proposals in the present document were reviewed by the Reference Group established by the Executive Board. The document was also presented to the Advisory Committee on Administrative and Budgetary Questions for its review and recommendations, which are presented in document E/ICEF/1992/AB/L.18.

The present document describes the country programme preparation process, which is undertaken jointly by the Government of the country concerned and UNICEF, and provides budget mock-ups and related explanatory notes for Executive Board review and approval at the 1992 session.

The Executive Director recommends that the budget formats and the related narrative format proposed for country programme recommendations be approved by the Executive Board and that the page limitations stipulated by the Bureau in 1990 be increased from 12-14 pages to 13-15 pages for smaller country programme recommendations, and from 16-18 pages to 17-19 pages for medium-sized and longer country programme recommendations, if this is essential to incorporate the additional information proposed in the present document.

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INTRODUCTION

1. The proposals in the present document are the Executive Director's response to the need expressed by the Executive Board during its 1991 session for greater clarity and transparency in the presentation of programme proposals and for closer links between programme proposals and staffing, staff costs and the administrative and programme support budget. The document was reviewed by the Reference Group appointed by the Executive Board, as well as by the Advisory Committee on Administrative and Budgetary Questions (ACABQ).

2. The document: (a) describes the country programme preparation process which is undertaken jointly by the host Government and UNICEF; (b) provides information on the existing format for presenting programme proposals, including programme budgets; and (c) proposes revised budget formats reflecting clearer links between programme plans and staffing, staff costs and the administrative budget at the UNICEF country office. The example of the country programme recommendation for Nigeria is used as a case in point to illustrate the existing format, as well as the proposed changes in the narrative and the budget tables.

I. COUNTRY PROGRAMME RECOMMENDATION: ESTABLISHED PROCEDURES

A. Country programme preparation process

3. As described in the document on the preparation of country programmes and country programme recommendations (E/ICEF/1991/CRP.16), the country programming process provides the main channel for UNICEF to work with the partner country's Government and non-government agencies for advocacy, policy and programme development to improve the situation of children and women in areas of priority needs, and for programme support to implementing agencies and communities to plan, implement, monitor and evaluate programmes at national and subnational levels in collaboration with United Nations and international agencies.

Country programme plans

4. The country programme plans are based on:

(a) The economic and social development situation in the country and its impact on the situation of children and women, particularly those in poor, vulnerable groups;

(b) The Government's national development plans, policies and programmes, including their institutional and financial capacity to address the issues of children and women;

(c) UNICEF policies as approved by the Executive Board and as reflected in the medium-term plan, including important themes such as the Convention on

the Rights of the Child and the Declaration and Plan of Action of the World Summit for Children;

(d) Institutional and financial resources available in the country for social sector programmes, and external assistance being provided to the country;

(e) UNICEF capacity at the country level, both in terms of staffing and financial resources, to provide assistance for the proposed programme.

5. The country programme plans are prepared jointly by key national government agencies and the UNICEF country office, which is headed by a representative. In several countries, inter-agency coordinating bodies headed by senior officials of planning or finance ministries have been established by host Governments to plan country programmes for children. Increasing collaboration with United Nations and other international agencies has been noted in recent years as well. As the country office organizes discussions on the situation of children and women and the strategy, preview and review meetings during the country programming year, programme planning support is provided, as appropriate, from UNICEF headquarters and the respective regional offices. This process generally takes place during an 18- to 24-month period before the Executive Board approves the country programme. While the duration of the country programme is generally four to five years, bridging operations for one or two years are considered appropriate in view of the country's national plan period, or the need to synchronize the programming cycle with other United Nations agencies or funding needs.

Country programme budget

6. Country programme budgets are developed in the following manner:

(a) The programme budget ceilings from general resources are allocated to country programmes by headquarters on the basis of income projections and financial medium-term plans on the one hand, and criteria based on child indicators such as child population, the infant mortality rate and the gross national product per capita on the other;

(b) Before or during the programme strategy meeting, discussions are held between the country office and headquarters regarding projected general resources ceilings for the country programme, as well as the levels of supplementary funds. The following factors are generally taken into consideration in these discussions: the nature and scope of problems identified in the situation analysis and the programme strategy being proposed by the country office; the past record of programme implementation and expenditures in the country; and the past record of supplementary funding approved and raised during the previous programme and the potential for fund-raising for the new country programme. These discussions often continue during the country programming process as programme plans become clearer during the preview and review meetings;

(c) Allocations of general resources and supplementary funds to specific programme sectors/areas are proposed by the country office within the agreed ceilings for general resources and supplementary funds. These allocations are based on programme priorities and funding needs, including the available information on the host Government's social sector budgets and bilateral and multilateral assistance from donors.

7. At the final country programme review, plans, including objectives, strategies, programme plans and budgets, are approved in principle by UNICEF headquarters for presentation to the Executive Board for review and approval. By the month of November during the year prior to programme submission to the Executive Board, the country office presents to headquarters a series of documents such as a master plan of operations (providing the programme framework and multi-year project plans), supply lists for the first year and a draft country programme recommendation to be finalized for presentation to the Executive Board.

B. Country programme recommendation document and programme budget: existing format

8. The country programme recommendation includes a request from the Executive Director to the Executive Board for approval of the country programme, specifying the country, the programme period and the amounts of funds from general resources and supplementary funds, subject to availability of general resource funds and specific-purpose contributions. The document summarizes the main findings of the situation analysis; the past programme of cooperation between UNICEF and the Government, including its major strengths, weaknesses and lessons learned; and the recommended programme of cooperation, including strategies and plans for key sectors and programme areas. Four tables are included in the current country programme recommendation format, providing the following information:

(a) Table 1 provides basic statistics on children and women;

(b) Table 2 lists expenditures in the previous cooperation period by programme sector/area for main categories such as supplies and equipment, training grants and project staff and other cash contributions to government and non-governmental organization partners. Amounts for programme sectors/areas and for main expense categories are divided by funding sources, i.e., general resources and funded supplementary funds;

(c) Table 3 describes planned expenditure for the proposed programme by programme sector/area for each year of the programme period divided into funding sources, i.e., general resources and new supplementary funds;

(d) Table 4 notes staffing from budget and programme funds. This table provides information on the number of International Professional posts and local national Professional and General Service posts to be financed from the proposed biennium budget, as well as staff costs to be charged to the

administrative and programme support budget for that biennium. The table also provides information on proposed project posts and staff costs (International Professional and local national Professional and General Service) to be financed from general resources and supplementary funds.

C. Links between proposed programme and country office staffing: established procedures

Job classification and posts at the country office

9. The criteria used for establishing and classifying posts in the International Professional category at headquarters and in the field are also applied to the establishment and classification of national Professional and General Service posts at country offices. The procedures for approval of posts by the Budget Planning and Review Committee, as well as the recruitment procedures, are also equally applied to headquarters and country office posts. General and country-specific procedures are outlined below:

(a) All requests for country and regional office posts are reviewed along with requests for headquarters posts and approved by the Budget Planning and Review Committee, which is headed by the Deputy Executive Director, Operations, at headquarters. Budget proposals for country offices, along with those for regional offices and headquarters, are presented to the Executive Board for review and approval on a biennium basis;

(b) While the job descriptions for all International and national Professional posts are reviewed for their classification by the job classification panels at headquarters; the regional offices are responsible for reviewing job descriptions and classifying all General Service posts at country and regional offices in their respective regions;

(c) The recruitment of staff for all International Professional posts is managed at headquarters;

(d) For the recruitment of staff for national Professional and General Service posts, the Appointment and Placement Committee at the country office reviews applications and makes recommendations to the Representative for a final decision. The documentation is reviewed further at the regional office for final approval of the representative's decision by the regional director;

(e) In the preparation of the biennium budget, every year the Budget Planning and Review Committee from headquarters visits the six regional offices to review proposals for the establishment, abolition or redeployment of posts, as well as the country office organizational structures and the administrative budgets of country offices and the regional office in their respective regions. Any additional requests, particularly for project posts to be financed from new supplementary funds, are reviewed by the Budget Planning and Review Committee on a quarterly basis.

D. References to the country office budget in the administrative and programme support budget: the Nigeria example

10. The administrative and programme support budget includes information on posts, staff costs and administrative costs for the country offices in the budgets for each of the six regions.

11. All posts at the country office are included in the post authorization table as part of the preparation of the biennium budget. All post authorization tables for country offices are shared with ACABQ during each budget year.

12. The document on the revised budget estimates for the biennium 1990-1991 and budget estimates for the biennium 1992-1993 (E/ICEF/1991/AB/L.1), chapter III, item B, on West and Central Africa, paragraphs 139-144, summarizes the relevant budget information on the Nigeria country office as follows:

(a) The representative's post was recommended for upgrading from the D-1 to the D-2 level;

(b) Proposals for redeployment and changes in funding sources were included;

(c) In view of the decentralized programme proposed in a number of States, some staffing adjustments at the zonal offices were proposed;

(d) Some additional national Professional posts and related deletions were recommended in the proposed budget for 1992-1993.

13. The approved and revised budget for 1990-1991 and the proposed budget for 1992-1993 for Lagos was included in table 3, "Summary of budget costs in West and Central Africa", on page 44 of the budget document. The numbers of International Professional, national Professional and General Services posts for the Lagos office for the approved and revised budgets for 1990-1991 and the proposed budget for 1992-1993 were reflected in table 4, "Summary of budget posts in West and Central Africa".

E. Country programme management plan: an experimental approach

14. Since 1988, several country offices have attempted to establish clearer links between programme objectives and staffing as part of country programme preparation. Some of the offices organized workshops to analyse the implications of the proposed programmes on staffing and conducted staff training/planning exercises in addition to preparing requests for new posts or reorganizing existing posts to meet programme needs. In 1990-1991, UNICEF headquarters formalized the concept by introducing the country programme

management plan and encouraged some country offices to undertake country programme management plan work as part of their country programming exercises.

15. In its country programme management plan exercise in 1990, the Lagos country office, for example, showed the need for restructuring the country office and for redeploying some posts to the four zonal offices in view of the decentralization strategy reflected in the new country programme. The country programme management plan exercise also helped to define clearly the functions of the Lagos office and the zonal offices and the relations between the two structures for more effective implementation, monitoring, coordination, and supervisory, technical and management support from the Lagos office to the zonal offices. The Budget Planning and Review Committee approved the proposed staffing structure for Nigeria in support of the country programme recommendation for the period 1991-1995.

16. Of the 38 country offices presenting recommendations to the 1992 Executive Board, five volunteered in 1991 to organize the country programme management plan exercises and requested assistance from headquarters in the process. The participating country offices have generally found the country programme management plan to be a useful management tool; the number of country offices showing an interest in the country programme management plan is slowly increasing, and the country programme management plan approach and techniques are being refined further as practical field experience is gained.

17. Experience to date has shown that the country programme management plan raises the issue of the timing of the country programme management plan exercise at the beginning of the five-year programme cycle and its synchronization with the biennial Budget Planning Review Committee reviews of country office staffing and administrative budgets. It should also be noted that the country programme management plan is based mainly on programme and staffing needs at the country office. The Budget Planning Review Committee, in its review of the country programme management plan and the staffing requests from country offices, must not only take each country's programme needs into consideration, but also must consolidate the staffing needs of all country, regional and headquarters offices and analyse these needs in the context of the medium-term financial plans and income projections. The country programme management plan exercise is also based on the assumption that all new supplementary funds will be raised during the programme cycle. It is quite clear, however, that all approved supplementary projects will not necessarily be funded and that new posts to be financed from new supplementary funds can only be approved as new supplementary funds become available.

18. In view of all of those considerations, Programme Division at headquarters plans to further refine the country programme management plan approach; to participate in the country programme management plan exercises in additional country offices; to prepare training materials and guidelines in 1992-1993; and to collaborate more closely with the Division of Personnel, the Budget Section and Budget Planning Review Committee to deal with the practical issues involved in implementing the country programme management plan. If

this process proceeds as planned, the country programme management plan can be expected to be fully implemented by 1995-1996.

II. PROPOSED BUDGET FORMAT

19. In responding to the need expressed by the Executive Board for clarity and transparency in the presentation of staffing and administrative costs for the country office, together with the programme proposal and programme budget in the country programme recommendation, the following adjustments in the budget formats are proposed.

20. For table 1, entitled, "Basic statistics on children and women", no changes are recommended.

A. Proposed table 2

21. The existing table 2, entitled "Expenditure under previous cooperation period", provides data on actual expenditures during the past programme of cooperation for the main programme sectors/areas by budget categories such as supplies, training, staff and other cash assistance and by funding source, i.e., general resources and funded supplementary funds. While maintaining this data in the first half of the proposed table 2, the second half of the table (the shaded portion) provides data on the amounts originally planned and approved for each sector/area, compared with actual expenditures by funding source. It should be noted that the titles of programme sectors/areas are not standard titles applicable to all country programmes; therefore, each country office will be expected to provide appropriate project titles based on the plans for the past programme of cooperation.

PROPOSED TABLE 2

TABLE 2. EXPENDITURE UNDER PREVIOUS COOPERATION PERIOD, 1989–1990

COUNTRY: NIGERIA

LATEST BOARD APPROVAL: 1989

GENERAL RESOURCES: $29,000,000

(In thousands of United States dollars)

Programme sectors/areas	Supplies and equipment (actual)		Training grants (actual)		Project staff (actual)		Other cash (actual)		TOTAL					
									General resources		Funded SF		Total (GR & FSF)	
	GR	FSF	GR	FSF	GR	FSF	GR	FSF	Actual	Planned	Actual	Planned	Actual	Planned
Health	13,196	9,570	225	126	1,548	148	2,005	223	16,974	20,193	10,067	10,942	27,041	31,432
Water supply and sanitation	2,910	258	75		874	2	184	135	4,043	4,568	395	3,134	4,438	7,702
Nutrition	507	63		2		14	32	9	539	790	88	1,432	627	2,222
Education		2					12	7	12		9		21	
Community organization and development	315	647	54	27		63	65	184	434	1,625	921	787	1,355	2,412
Young child development		103		5		28	10	40	10	375	266	606	276	981
Women–centred programme								5			5		5	
Advocacy	384	128	7	40	151		119	390	661		558		1,219	
Planning and project support	3,231	43	107	17	646		392	495	4,376	1,449	555		4,931	1,449
Freight	454								454				454	
GRAND TOTAL	20,997	10,904	468	217	3,219	255	2,819	1,488	27,503	29,000	12,864	16,901	40,367	46,198

GR = General resources.

FSF = Funded supplementary funding.

B. Existing table 3

22. Table 3, entitled "Planned expenditure, 1991-1995", provides information on the proposed programme for the main programme sectors/areas for each of the five years by funding sources, i.e., general resources and supplementary funds. No changes in table 3 are recommended.

EXISTING TABLE 3

TABLE 3. PLANNED EXPENDITURE, 1991–1995

(In thousands of United States dollars)

COUNTRY: NIGERIA Period covered: 1991–1995	Funding status	1991	1992	1993	1994	1995	TOTAL
Health	GR	4,965	4,998	5,010	4,950	4,890	24,813
	NSF	4,899	4,995	5,000	5,000	5,085	24,979
Water supply and sanitation	GR	2,680	2,545	2,755	2,870	2,800	13,650
	NSF	3,076	2,310	2,306	2,129	2,399	12,220
Household food security and nutrition	GR	1,556	1,553	1,448	1,530	1,540	7,627
	NSF	1,810	2,000	2,032	2,175	1,904	9,921
Education	GR	2,208	2,200	2,275	2,120	2,140	10,943
	NSF	1,695	2,138	2,093	2,180	2,192	10,298
Children in especially difficult circumstances	GR	135	125	86	74	51	471
	NSF	190	202	160	146	95	793
Social mobilization and advocacy	GR	646	709	617	636	646	3,254
	NSF	175	185	225	225	190	1,000
Planning and social statistics	GR	810	870	809	820	933	4,242
	NSF	155	170	184	145	135	789
TOTAL	GR	13,000	13,000	13,000	13,000	13,000	65,000
	NSF	12,000	12,000	12,000	12,000	12,000	60,000
GRAND TOTAL		25,000	25,000	25,000	25,000	25,000	125,000

GR = General resources.

NSF = New supplementary funding.

/...

C. Proposed table 4

23. In order to show more clearly the implications of the proposed programme on staffing and staff costs, a revised budget format is proposed for table 4, newly entitled "Linkage of programme budget and staffing/staff costs", as follows:

(a) Programme sectors/areas and funding sources. This column is intended to provide a list of major programme sectors such as health, nutrition and education, and programme areas such as advocacy and social mobilization and planning, monitoring and evaluation. As noted in the description of the proposed table 2, the titles of programme sectors/areas are not standard titles applicable to all country programmes; therefore, each country office will be expected to provide appropriate sector/area titles based on the proposed programme plans. This column will be divided into two funding sources: general resources and supplementary funds. Programme sectors/areas will be listed for each funding source as appropriate;

(b) Programme budget, 1991-1995. This column indicates the amounts in thousands of United States dollars for general resources, funded supplementary funds (carried over from previous programme), if any, and new supplementary funds for the proposed programme cycle (1991-1995 in the case of Nigeria);

(c) Posts. This column gives the number of posts charged to the programme budget in the International Professional category by levels from D2/L7 to P/L2 for each programme sector/area and for each funding source, i.e., general resources and supplementary funds;

(d) Staff costs. This column provides amounts in thousands of United States dollars for the International Professional staff category and combines national Professional and General Service categories under the heading "local" staff costs. These amounts are provided for each programme sector/area and for each funding source for the total period of the proposed programme (five years, 1991-1995, in the case of Nigeria);

(e) Administrative and programme support budget. This column provides data for the approved or proposed biennium on operating costs for the country office for the proposed biennium, 1992-1993 in the case of Nigeria; the number of International Professional posts from D2/L7 to P/L2 levels and the number of national Professional and General Service posts; and the amounts of staff costs in thousands of United States dollars for International Professional and local (national Professional and General Service) staff categories for the biennium. In an even year, the figures represent the current approved biennium budget. In an odd-numbered year, the figures represent the proposed biennium budget. Since this budget is approved by the Executive Board on a biennium basis, this column cannot cover the total period of the proposed programme cycle, i.e., five years in the case of Nigeria;

(f) Grand total. This shaded column gives numbers of posts and staff costs funded by the administrative and programme support budget, and the programme budget from general resources and supplementary funds;

(g) Number of posts and staff costs. This portion at the bottom of the table provides comparative data on the numbers of International Professional, national Professional and General Service posts and staff costs for three time periods, i.e., at the beginning of the previous programme (1989-1990 in the case of Nigeria), at the beginning of the proposed programme (1991-1995 in the case of Nigeria) and indicative figures for the end of the proposed programme (1995 in the case of Nigeria). New posts requested by the country office from new supplementary funds can only be approved as and when new supplementary funds become available and as project posts are approved. As such, the total number of posts projected at the end of the proposed programme can only be seen as indicative, and staff costs for five years can be less meaningful or realistic, even as indicative figures.

PROPOSED TABLE 4

TABLE 4. LINKAGE OF PROGRAMME BUDGET AND STAFFING/STAFF COSTS

NIGERIA

PROGRAMME SECTORS/AREAS AND FUNDING SOURCES	PROGRAMME BUDGET, 1991–1995 (In thousands of US dollars)				POSTS a/ EXISTING POSTS						SUBTOTAL			TOTAL POSTS	STAFF COSTS a/ (In thousands of US dollars)		
	GR	FSF	NSF	TOTAL	D2/L7	D1/L6	P/L5	P/L4	P/L3	P/L2	IP	NP	GS		IP	LOCAL	TOTAL
GENERAL RESOURCES																	
Health	24,813			24,813			1	1			2	4	7	13	1,200	1,485	2,685
Household food security and nutrition	7,627			7,627				1	4		5		6	11	3,000	810	3,810
Water supply and sanitation	13,650			13,650			1	2			3	4	8	15	1,800	1,620	3,420
Basic education	10,943			10,943				1			1	5	6	12	600	1,485	2,085
Children in especially difficult circumstances	471			471							*	*		0	0	0	0
Social mobilization and advocacy	3,254			3,254				1			1	8	9	18	600	2,295	2,895
Planning, monitoring and evaluation	4,242			4,242			1	5		4	10	5	12	27	6,000	2,295	8,295
TOTAL GR	65,000			65,000	0	0	3	11	4	4	22	26	48	96	13,200	9,990	23,190
SUPPLEMENTARY FUNDING																	
Health			24,979	24,979				1			1	2	4	7	600	810	1,410
Household food security and nutrition			9,921	9,921							0			0	0	0	0
Water supply and sanitation			12,220	12,220							0			0	0	0	0
Basic education			10,298	10,298							0			0	0	0	0
Children in especially difficult circumstances			793	793							0			0	0	0	0
Social mobilization and advocacy			1,000	1,000							0			0	0	0	0
Planning, monitoring and evaluation			789	789							0			0	0	0	0
TOTAL SP			60,000	60,000	0	0	0	1	0	0	1	2	4	7	600	810	1,410
TOTAL GR & SP				125,000	0	0	3	12	4	4	23	28	52	103	13,800	10,800	24,600
ADM. AND PROGRAMME SUPPORT BUDGET (Proposed 1992–1993)	Operating costs		1,803														
	Staffing b/			1		2	1				4	5	35	44	952	1,265	2,217
GRAND TOTAL (GR+SP+ADM)				[illegible]													

Number of posts and staff costs:							
– At the beginning of previous programme (1989)	20	23	79	122	2,056	2,129	4,185
– At the beginning of proposed programme (1991)	27	33	87	147	3,236	2,793	6,029
– At the end of proposed programme (1995) (indicative only)	33	60	94	187	NA	NA	NA

Abbreviations: GR = general resources, FSF = funded supplementary funding, NSF = New supplementary funding, IP = International Professional, NP = National Professional, GS = General Service, ADM = administrative.

* Managed by education officer

a/ Each post, regardless of its funding source, supports the country programme as a whole.

b/ In an even year, the figures represent the current approved biennium budget. In an odd year, the figures represent the proposed biennium budget.

c/ Staff costs: Project posts are funded for five years; Core posts are funded for two years.

/...

24. In reviewing the number of posts and staff costs as a proportion of programme expenditure, it should be noted that project posts form an integral part of programme delivery and that the staff costs are as important for effective service delivery as supplies, training or cash assistance. In addition, in programme sectors with a heavier emphasis on supplies, such as the water supply and sanitation or health sectors, the proportion of staff costs to the sector budget is likely to be relatively small. In programme areas such as advocacy and social mobilization, or planning, monitoring and evaluation, the proportions of staff costs to the total amounts of funds allocated to those programme areas are likely to be relatively high.

25. All sector posts support the overall objectives of the programme sector as a whole and contribute to the overall objectives of the country programme. Sector posts are not limited strictly to the activities covered through the specific funding source to which the staff costs of the posts are charged. While a post may, for example, appear under the health sector, the post may simultaneously be responsible for another sector or programme area such as planning or urban basic services.

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UNITED NATIONS CHILDREN'S FUND

STRUCTURE AND FORMAT OF BUDGET DOCUMENTS AND REPORT ON HEADQUARTERS OFFICE ACCOMMODATION

Report of the Advisory Committee on Administrative and Budgetary Questions

1. In accordance with UNICEF Executive Board decisions 1991/17, 1991/29 and 1991/30 (E/ICEF/1991/15), the Advisory Committee on Administrative and Budgetary Questions has considered the following documents:

(a) Proposed format for future global funds programme budgets (E/ICEF/1992/AB/L.1);

(b) Criteria for core versus project posts (E/ICEF/1992/AB/L.15);

(c) Budget format for country programme recommendations (E/ICEF/1992/AB/L.17);

(d) Revisions to the budget format for the administrative and programme support budget (E/ICEF/1992/AB/L.14);

(e) Structure and format of income projections (E/ICEF/1992/AB/L.13);

(f) Structure and format of the financial medium-term plan (E/ICEF/1992/AB/L.12);

(g) Review of UNICEF job classification system (E/ICEF/1992/AB/L.16);

(h) Recovery of costs for prorated project posts and incremental field overheads on supplementary-funded programmes (E/ICEF/1992/AB/L.8).

The Advisory Committee also considered the report on headquarters office accommodation (E/ICEF/1992/AB/L.9) in accordance with UNICEF Executive Board decision 1991/27 (E/ICEF/1991/15). During its consideration, the Committee received additional information from representatives of UNICEF.

2. The Committee recalls that in its last report (E/ICEF/1991/AB/L.10, paras. 2-6 and 22) 1/ it stated its belief that there should be a clear reference to the UNICEF programme in the explanation of the estimates, especially as it relates to changes, and how the priorities and proposed increases relate to programme priorities and the long-term objectives of UNICEF. Furthermore, the Committee was of the view that the UNICEF practice of charging administrative and support posts to different sources of funding makes it difficult to ascertain the full administrative costs of the Fund.

3. The Executive Board, in its decision 1991/30, noted the concern expressed by the Advisory Committee and requested the Executive Director, in close consultation with the Advisory Committee and a reference group to be nominated by the Bureau:

> "to carry out an in-depth study and analysis of the structure and format of budget documents, including such substantive elements as the financial plan including income projections, programmes and budgetary expenditure and cash balances, with a view to simplifying and improving their representation, setting them on a consolidated basis and making full use, as appropriate, of the expertise of other United Nations agencies."

4. The Advisory Committee undertook a careful and detailed examination of the format of the UNICEF budget documents listed in paragraph 1 above. The Committee notes that the Executive Board is dealing with important policy documents with far-reaching implications on the planning, management and implementation of the UNICEF programme based on recommendations of the Advisory Committee which were endorsed by the Board at its 1991 session. The Committee commends the Reference Group and UNICEF and welcomes the work done thus far on the budget format, especially with regard to global funds.

5. The Committee notes that the quality of the documents varies; the presentation on global funds is quite substantive, while other documents such as those on the criteria for core versus project posts and on the review of the job classification system are not very specific, for example on the scope and degree of the changes that are being proposed. The Committee notes that these documents do not clearly indicate the changes in policies, such as the application of criteria for the identification of core posts versus project posts or the reclassification of posts, and make it difficult to analyse these changes and their impact on management and costs. The Committee is of the view that the reports should have been better structured, with cross-references, a comparative analysis of previous and proposed policies, as well as specific conclusions and recommendations and their implications on the UNICEF programme.

Proposed format for future global funds programme budgets
(E/ICEF/1992/AB/L.1)

6. The Committee recalls that the Executive Board requested the Executive Director in decision 1991/17:

> "to consider reducing the number of separate funds through, inter alia, merger or consolidation of those with similar objectives or characteristics; ... to submit to the Board consolidated reports and proposals for approval of programme support funds, global reserves and interregional programmes, including disaggregated data on current and prospective staffing at headquarters and in the field, so as to enable a comprehensive overview of UNICEF requirements and activities in these areas."

The Executive Board further requested the Executive Director in decision 1991/30 to present to the Board through the Advisory Committee at its 1992 session "a review of the presentation of all global programme support funds, global reserves and interregional programmes, taking account of the Board's intention that their administrative and personnel implications be considered in the context of the budget".

7. The Committee notes with satisfaction that the global programme budget document will replace approximately 17 to 20 documents that have been presented to the Executive Board for global funds in the past, a first step towards enhancing clarity and transparency in the presentation of budgetary information on these funds. According to the existing set-up of global funds (para. 6), the current 17 global funds include 2 programme support funds, namely the Interregional Fund for Programme Preparation, Promotion and Evaluation (IFPPE) and regional IFPPE; 4 global programme reserves, including the Emergency Reserve Fund; and 11 interregional and regional programmes. In this connection, the Committee was informed that the proposed streamlining and merging of all UNICEF global funds into four principal funds has not taken place yet and will be carried out following Board approval of a report on global funds at its 1992 session. The Committee regrets that the related report to the Executive Board, "Reorganization and consolidation of global funds" (E/ICEF/1992/L.10), was not available to the Committee when it reviewed the matter.

8. The Committee notes that under the proposed reorganization, all global programmes will be consolidated under the heading "Programme Funds for the 1990s Goals", and further restructuring and consolidation of these funds and their complementarity and links with IFPPE are under review (paras. 111 and 113). In view of the need to keep the number of separate and special-purpose funds to the minimum necessary, and bearing in mind the request of the Executive Board to reduce the number of funds through merger or consolidation (see para. 6 above), the Committee trusts that the Executive Board will consider urging UNICEF to expedite the streamlining of these funds with a view to improving planning and implementation of the related programmes in a more cost-effective manner.

9. With regard to the objectives of these funds (para. 9 (a)), the Committee notes that global funds are intended, inter alia, "to provide additional programme resources to countries for the introduction and acceleration of actions in priority areas of UNICEF programmes in the middle of a normal five-year programme cycle". The Committee is of the view that the Executive Board may wish to consider whether a change of priorities should necessarily require separate global funds or whether revised allocation ceilings in the respective country or other programmes might not be the best alternative.

10. The Committee notes that each programme submission of global funds will contain an introduction covering a situation analysis and indicate purpose and objectives, strategies for achievement and programme budget and staffing needs (para. 19). In this connection, the Committee reiterates that any programme change, in particular a proposed increase or reclassification of posts, needs to be well justified in the budget document submitted to the Executive Board (see para. 2 above). The Committee further notes that the administrative and programme support budget and the global funds budgets should contain staffing tables, indicating all changes in core and project posts with a detailed explanation in the context of the organizational structure and the requirements of the UNICEF programme similar to the description and annexes of the budget document provided to the Governing Council of the United Nations Development Programme (UNDP).

11. With regard to the Emergency Programme Fund (para. 23 (f)), the Committee notes that "owing to the very nature of emergencies, the amount of detail will be very limited when this fund is proposed". Considering the magnitude of current emergency programmes and the $7 million ceiling of the fund in 1991 (para. 142), the Committee is of the view that the presentation should contain precise background information covering emergencies during the previous biennium to enable an assessment of projected future requirements.

12. The Committee notes that the global funds programme support budget will be on a biennium basis for budgeting and accounting purposes (para. 30), thus permitting a two-year financial period for the approved/revised and proposed budget pursuant to the request of the Executive Board in decision 1991/17; the budget tables in the document will also be on a biennial basis, showing the linkage between the global funds programme budget and the administrative and programme support budget (para. 24). The Committee trusts that the biennial budget cycle of the UNICEF budget will enhance consistency and coherence in the presentation.

13. The Committee notes that the linkage between administrative and programme support budget and global funds budgets in the documents is mainly presentational and steps should be taken to establish an operational linkage. In view of the foregoing, the Committee is of the view that there is a need for consolidation and that the eventual submission of one single budget document, containing the administrative and programme support budget and the global funds programme budgets, would make the presentation more coherent.

14. The Executive Director should be authorized to transfer, within his authority, up to 10 per cent of appropriated amounts among activities within each of the four global funds, while transfers above 10 per cent or between funds would require Board approval in the context of revised estimates (para. 41).

15. The Committee notes with regard to regional funds under chapter 3 of the programme budget document (para. 23 (d)) that project posts for regional offices will be presented to the Executive Board for information; furthermore, only project posts at headquarters will be presented to the Board in the proposed budget for approval (paras. 28 and 40). The Committee recommends that the establishment of programme support posts at regional and country offices which manage regional and global funds should also be approved by the Board through the Advisory Committee pursuant to the proposed approval process of global funds (see para. 16 below) with a view to exercising budgetary control on such posts.

16. As to the approval process of global funds (paras. 36-39), the Committee recalls that in view of the continued increase of IFPPE posts at headquarters, the Committee recommended in its last report (E/ICEF/1991/AB/L.10, para. 49) 1/ that the administrative and financial aspects of the IFPPE budget should be submitted to the Executive Board through the Advisory Committee. The Committee notes that both the programme support and administrative budget and the global funds programme budget will in future be submitted to the Board through the Advisory Committee. In this connection, the Committee points out that the approval process of the UNICEF budget and the role of the Advisory Committee in the review process are not limited to the establishment and change of posts (paras. 37 and 38).

17. The Committee stresses that the objectives and all other components of the programmes under global funds should be clearly indicated in the budget document to enable an assessment of the requirements in the light of the purposes of each fund.

18. According to the Programme Fund for the 1990s Goals (para. 115), the specific activities and allocations to field offices cannot be presented in advance since the funds are designed to respond to new needs and opportunities in the countries as they arise during the course of an approved programme cycle and therefore a lump-sum country allocation for each fund is proposed. The Committee was not fully convinced that such activities and allocations cannot be projected on the basis of previous years and expresses its concern that field offices are allocated a lump-sum for each fund without an indication of the scope and objectives of the programmes. The Committee believes that the major activities under the Programme Fund for the 1990s Goals should be planned for each country and cost estimates established on a biennial basis like all other programmes which may be revised during the biennial cycle of the fund.

19. With regard to the Bamako Initiative, for which over $70 million have been committed by UNICEF to country action (para. 122), the Committee notes that "it is a major venture of historic importance which, if successful, could change the whole shape and form of basic health care services which need not be limited only to low income countries. In view of the stakes involved, it was decided that the Bamako Unit be located in New York under the direct supervision of senior management" (para. 132); the Committee is of the view that such a statement does not justify that this large programme needs to be administered from headquarters, bearing in mind that projects should be carried out in the field (see para. 21 below).

20. The Committee notes that the statistical data contained in the annexes to the document make the analysis of global funds more comprehensive and transparent, in particular the charts, showing the percentage of global funds for headquarters and the field against total programme expenditure by general resources and supplementary funds and the percentage of staff costs against all other costs. The Committee believes that it can be further improved through more concise information and consolidation of the tables and charts.

Criteria for core versus project posts
(E/ICEF/1992/AB/L.15)

21. The Committee recalls that in its last report (E/ICEF/1991/AB/L.10, paras. 500-52) 1/ it noted that no information was provided on the criteria for conversion of headquarters posts to core funding or other sources of funding. The Committee further noted that the number of headquarters posts prorated to supplementary-funded projects had more than doubled since 1988-1989 and that the total number of project posts at headquarters had increased rapidly from 1982 to 1992, at a rate 10 times higher than in the field. The Committee therefore recommended that this high rate of growth should be discontinued and that:

> "a thorough review of this question be undertaken by the administration with a view to identifying all project functions and related posts for transfer to the field. As a general rule, there should be zero growth of project posts at headquarters. The Committee points out that unless policy measures are taken urgently, UNICEF will continue to face a disproportionate increase in costs at headquarters at the expense of project delivery in the field. UNICEF will also face serious problems of accommodation."

The Executive Board emphasized in decision 1991/29 "the nature of UNICEF as a field-oriented fund and the need for an efficient and productive use of available resources, especially by restraining growth of its administrative expenditures, particularly at headquarters, ... bearing in mind that resources should be used primarily for programme activities" and requested the Executive Director to study and report on the criteria to decide, in particular at headquarters, which posts should be financed from core or other funds.

22. The Committee believes that the reduction of core posts at headquarters over the last years (para. 4) appears to be a result of the conversion of a number of core posts to project posts and their disproportionate increase at headquarters. The Committee notes that "a number of project posts also had to be stationed at headquarters to assist in the planning, direction and coordination of large programmes funded from supplementary funds" (para. 5). The Committee is of the view that coordination, planning and direction are programme support functions; furthermore, some of the functions listed under IFPPE (para. 6) relate to backstopping and the related posts are also programme support posts rather than project posts. In this connection, the Committee reiterates that the emphasis in the distinction of core versus project posts should be the functions of the posts and not the source of funding.

23. The Committee notes that according to this document (paras. 19 and 38), posts performing representation are core functions, while in the document on the UNICEF job classification system (E/ICEF/1992/AB/L.16, para. 22) posts representing UNICEF are graded as L-6 or L-7 project posts. Upon inquiry, the Committee was informed that all representative functions of UNICEF will be classified as core functions.

24. The Committee reiterates with regard to the approval of project posts at UNICEF field offices (para. 23) that the approval should be connected with the project budget and a specific time-limit be established for the related posts according to the implementation target of the project.

25. According to table 1, in 1992 a total of 2,099 core posts (560 at headquarters and 1,539 in the field) at UNICEF have been charged to the administrative and programme support budget. The Committee reiterates its view, as indicated in its last report (E/ICEF/1991/AB/L.10, paras. 4, 21 and 22) that the proportion of the administrative budget in relation to UNICEF total expenditure is high and expects that the proposed realignment of posts will substantiate these costs and every effort will be made to achieve a more cost-effective programme delivery. The Committee will review the matter when it considers the estimates for 1994-1995 along with the global funds budgets (see para. 21 above).

26. The Committee points out that this document does not indicate clearly the changes in the application of criteria for core and project posts and that it is difficult to assess the proposals. The Committee notes that the criteria for the definition of project posts (para. 24) are broad and that this categorization of posts may have contributed to the large increase in the number of project posts at headquarters and in the field (para. 25). In this connection, the representatives of UNICEF recalled that the Executive Board had decided to defer implementation of its decision 1991/29 concerning its request for a comprehensive review of existing project posts and the criteria for their establishment at headquarters until its 1993 session.

27. According to the proposed criteria for core posts (para. 38), the Executive Director proposes that "the basic core functions of any UNICEF

office should be in the areas of representation/management, programme, operations and external relations". As regards the exceptions in unusual circumstances, the Committee is of the view that the few exceptions should not be formalized in the definition of the criteria for core posts and that the definition can be further refined, bearing in mind the principle that core functions should be financed from the administrative and programme support budget and from the 6 per cent surcharge from supplementary funds pursuant to Executive Board decision 1991/29, paragraph 1 (a).

28. The Executive Director proposes the following four categories of project posts (paras. 41-47):

(a) Technical support, expertise and services to plan, implement, monitor, evaluate, improve and strengthen programme/projects on the basis of programme needs and staff costs charged to country programme budgets at the country level and to global funds at regional and headquarters offices;

(b) Project posts related to the 6 per cent recovery on supplementary funds on the basis of their funding source while performing core functions (see paras. 50-55 below);

(c) Extrabudgetary project posts;

(d) Posts in district sub-offices within a country that has a UNICEF core office as integral part of the implementation of the area-based country programme.

As to the first category, the Committee notes that strengthening of a programme (para. 41) does not necessarily need to be a project function. The Committee was informed that donor agreement is required for project implementation at all stages, including the proposed level of posts financed from supplementary funds (para. 43). The Committee is of the view that the posts related to the recovery on supplementary funds in the second category (para. 44) and the extrabudgetary posts in the third category, especially those related to procurement services (para. 45), which are defined as project posts on the basis of their source of income, are actually programme support posts. As to the fourth category of posts in district sub-offices (para. 46), the Committee recommends that the study should also indicate whether these posts need approval by the Executive Board.

29. With regard to the proposed reorganization of the Programme Division into four or five advisory clusters (paras. 49-51), the Committee cautions UNICEF against compartmentalization, which does not necessarily enhance efficiency, and recalls its observation (E/ICEF/1991/AB/L.10, para. 27) 1/ that "before approving the establishment of new organizational units at headquarters, the Executive Board should ascertain beyond a reasonable doubt that the related functions could not be carried out by existing units". The Committee was also not fully convinced of the categorization that the heads of the advisory clusters perform only core functions, while all other staff in these units perform project functions.

30. In view of the Committee's observations in paragraphs 21 to 29 above, the Committee is of the view that a large number of project posts at headquarters are actually project support posts which should be financed from the administrative and programme support budget. The Committee believes that the current procedure, especially the classification of project posts related to the 6 per cent recovery on supplementary funds which perform core functions, leads to an underestimation of the actual administrative and programme support costs of UNICEF.

31. The Committee is of the view that supplementary and global funds operations should be charged a fair share of the administrative and programme support costs incurred by UNICEF in managing the related operations. But it is misleading to classify such charges as project costs. The Committee trusts that this question will be examined further with a view to clearly identifying functions to be financed from approved administrative and programme support funds. The Committee points out that this study should clearly relate to programme support, taking into account that project posts should be identified with specific projects.

32. The Committee expects that the new criteria will be applied consistently to all posts at headquarters and in the field (para. 48 (b)) and should have a major impact on the categorization of posts, in particular at headquarters - namely regularization of a large number of headquarters project posts performing programme support functions and transfer of project posts from headquarters to the field where projects should be carried out (see paras. 19 and 21-25 above).

Budget format for country programme recommendations (E/ICEF/1992/AB/L.17)

33. The Committee recalls that in its last report it noted that there was no indication of how the priorities and the increases proposed in the budget document relate to programme priorities and the long-term objectives of UNICEF, and that there should be a clear reference to the programme in the explanation of the estimates (see para. 2 above). The Committee notes that pursuant to the request of the Executive Board in decision 1991/30 to study the usefulness and feasibility of presenting staffing and administrative costs together with programme proposals, table 4 in this document shows the linkage of the programme budget and staffing/staff costs for each country (see para. 13 above).

34. The Committee commends UNICEF for the improvement in the format for country programme recommendations, a subject which is within the purview of the Executive Board. The Committee observes that the revised budget format shows more clearly the implications of the proposed programme by major programme sector and funding source for staffing covering all posts in the international Professional category and costs for international Professional and local staff as well as the operating costs of the administative and programme support budget. With regard to table 2, the Committee recommends

that an indication should first be made of the planned general resources and supplementary funding, followed by an indication of the actual amounts. The Committee notes with satisfaction that all post authorization tables for country offices on the basis of programme priorities and funding needs will in future be submitted to the Advisory Committee in the context of the biennial estimates for global funds (para. 11).

35. The Committee notes that the preparation of country programmes takes place during a period of 18 months to two years, while the duration of country programmes is generally four to five years; there is a mid-term review in all countries when changes can be made. The Committee was informed that in the event that more contributions in general resources are received, UNICEF, inter alia, increases the annual country ceilings to accelerate the implementation of planned activities.

Revisions to the budget format for the administrative and programme support budget
(E/ICEF/1992/AB/L.14)

36. The Committee recalls that the Executive Board requested the Executive Director in decision 1991/30 to present to the Board at its 1992 session, through the Advisory Committee, a study on presenting staffing and administrative costs together with programme proposals, with particular emphasis on clarity and transparency. The Committee notes that as a result of the proposal to present global funds and country programme recommendations within the context of programme budget formats and in order to distinguish the core budget from other budgets, the Executive Director proposes that the next submission be entitled "Administrative and programme support budget: revised budget estimates for the biennium 1992-1993 and budget estimates for the biennium 1994-1995" (para.4); the presentation of the administrative and programme support budget by organizational structure will be maintained, while the global funds budgets will be presented by programmes and activities under each fund (para. 5).

37. Pursuant to Executive Board decision 1987/5 (E/ICEF/1987/11), as recommended by the Advisory Committee, it is proposed to include computer equipment in the general operating cost category of the budget as expenditure in the year the equipment is acquired (para. 9). The Committee concurs in the proposal on the understanding that it is presented as a separate line item and detailed by division and field offices. The Committee notes that there is a need for harmonization of the terminology with that used at the United Nations.

38. With regard to the linkage between the global funds programme budgets at headquarters and the administrative and programme support budget, the Committee notes that the estimated general operating costs include the impact of core and project staff, taking into account the total number of staff working at headquarters in estimating rent, maintenance, utilities and other administrative costs (para. 12). The Committee further notes that the

information on posts for all divisions is being revised to include "general resources - global funds" and "supplementary funds - global funds" as separate sources of funding which will be linked with the information on posts in the proposed global funds programme budget (see para. 13 above). A new annex will contain a list of all changes in international Professional posts financed from the administrative and programme support budget and headquarters posts charged to supplementary funds (para. 16); the Committee reiterates that any proposed changes in posts should be well justified (see para. 10 above).

39. With regard to the summary of international Professional post reclassification (annex II), the Committee expects that the Executive Director will justify all proposed reclassifications, indicating clearly the change in functions of each post in the context of the organizational structure of the respective headquarters unit or field office (see paras. 10 and 38 above). The Committee notes that the proposed changes in the comparison of objects of expenditure (annex IV) are minor and the budgetary information should be harmonized in accordance with the recommendations of the Consultative Committee on Administrative Questions. The Committee believes further that the information on project posts at headquarters locations (annex V) should be consolidated in listing identical posts in the same unit in one line.

Structure and format of income projections
(E/ICEF/1992/AB/L.13)

40. The Committee recalls that in its last report (E/ICEF/1991/AB/L.10, para. 19) 1/ it noted that the income projections for 1990-1994 need further substantiation by providing additional information such as pledges received at the most recent pledging conference and the last income performance in comparison with previous years. The Committee recommended that future budget documents should contain more up-to-date information to justify the extent to which projected income is assured and attainable. The Executive Board requested the Executive Director in decision 1991/30 to present to the Board, through the Advisory Committee, at its 1992 session a study of the projected rates of income in comparison to estimated programme expenditures, with consideration of the relationship between this and the liquidity reserves. In this connection, the Committee was informed that the information on income projections will be included in the financial medium-term plan and the full financial plan will be submitted to the Executive Board every year.

41. The Executive Director states that there has been an increasing tendency among major donors not to announce their pledges at the annual pledging conference and UNICEF had to rely upon a donor's history of contributions (para. 10). The Committee recalls that for a number of years it has reiterated the necessity of following strictly the established procedure of including in the estimates only such income as is clearly "assured and attainable", and this has been defined as funds received or pledges confirmed in writing at the time of the budget submissions. The Committee trusts that UNICEF will continue to ensure that sufficient funds are available to cover its estimated expenditures during the proposed biennium, thus avoiding any

uncertainty with regard to projected income or a possible shortfall. The Committee was informed that in case of a shortfall that is not due to exchange rate fluctuations, the Executive Director would submit revised budget estimates.

42. Upon inquiry, the Committee was provided with the information on the year-end UNICEF cash balance for general resources and supplementary funds from 1982 to 1991. The Committee recommends that the budget document should contain a table, indicating the year-end cash balance for general resources and supplementary funds during the previous five years and projections for the current medium-term plan pursuant to the request of the Executive Board in decision 1991/30 (see para. 44 below).

Structure and format of financial medium-term plan (E/ICEF/1992/AB/L.12)

43. The Committee recalls that the Executive Board requested the Executive Director in decision 1991/30 to carry out a review of the format of the medium-term plan with respect to budgetary issues, and to make proposals for improvement, including tables and charts, with a view to enhancing clarity and transparency.

44. The Committee recalls that the Executive Board approves the financial medium-term plan as a framework for the programme and budget proposals; all proposed expenditures in the plan are subject to separate Board approval and the availability of resources (para. 11). With regard to income projections under the medium-term plan, the Committee is of the view that in order to assess the current financial medium-term plan, information about the actual income from general resources and supplementary funds during the previous five years, including the annual growth rate, would be useful (see para. 41 above). The Committee believes that any actual and planned changes from the medium-term plan in terms of availability of resources and change of programme priorities and their impact on future budget estimates should be clearly justified in the budget document, thus linking the medium-term plan and the biennial budgets.

45. In view of the projected substantial increase in total expenditure from 1990 to 1995 (figure VI), the Committee observes that more specific information is required about the basis of the projected income such as concrete indications from donors about future contributions. The Committee notes that the new charts illustrate clearly the financial performance during the previous year by source of income and related expenditures as well as the corresponding cash balances. The Committee trusts that the financial medium-term plan and up-to-date-income projections will in future be submitted on time to enable the Committee to take the information into account when it examines the budget proposals of the Executive Director.

Review of the UNICEF job classification system
(E/ICEF/1992/AB/L.16)

46. The Committee recalls that in its last reports (E/ICEF/1989/AB/L.9, para. 28, and E/ICEF/1992/AB/L.10, para. 36), it pointed out that:

> "the continued change in the distribution of grades at UNICEF is showing a trend towards 'grade-creep', resulting in a shift upwards in the average grade of staff and a trend to a top-heavy organization. The Committee points out that the phenomenon of grade-creep in UNICEF is accelerating and that the average grade level of UNICEF International Professional core posts in 1992-1993 will be P-4, step 5."

The Committee therefore recommended restraint in the practice of upgrading staff, in particular at headquarters, and recommended against the proposed upgrading of a number of posts, especially at the senior level. The Executive Board requested the Executive Director in its decision 1991/30 to carry out a review of the criteria used for grading UNICEF staff, in particular at the D-1 and the D-2 levels, with emphasis on clarity and transparency, and to present it to the Board through the Advisory Committee at its 1992 session.

47. According to the current job classification procedures (paras. 10-15), there is a technical and a panel review for Professional posts (P-1 to P-5) and General Service posts, while D-1 and D-2 posts are reviewed by the Senior Staff Review Committee. The Committee was informed that in future all posts would require an authorized job description. In this connection, the Committee notes that the Executive Director has the authority to approve proposed reclassifications of posts; in the 1991-1992 biennium the Executive Director endorsed all but one (para. 8).

48. The Committee takes note of the results of the classification exercise. The Executive Director states that during the 1990-1991 biennium, 164 Professional posts were upgraded and incumbents of 76 higher-level posts were promoted in these posts (para. 9); the Committee has noted that the number of upgradings during only one biennium is high. Bearing in mind the need to exercise maximum restraint in submitting proposals for reclassification of posts, the Committee reiterates that care should be taken that there is no "grade-creep", in particular at the D-1 and D-2 levels. The Committee is of the view that a post should not be classified because the incumbent needs to be promoted or to attract particular individuals by recruitment. The Committee cautions UNICEF that upgrading of a post does not necessarily require that other similar posts elsewhere should also be upgraded and that posts below an upgraded post should also move upward. The Committee will review this matter when it considers the revised 1992-1993 budget estimates and the 1994-1995 estimates.

49. The Committee notes that a substantive review of the criteria for classification of posts at the D-1 and D-2 levels at headquarters locations has been carried out on the basis of new criteria in accordance with existing International Civil Service Commission standards (paras. 18-22). The

Committee trusts that this exercise will result in a reduction of the current 55 posts at the D-2 and D-1 levels at headquarters locations (para. 20).

Recovery of costs for prorated project posts and incremental field overheads on supplementary-funded programmes
(E/ICEF/1992/AB/L.8)

50. The Committee recalls that the Executive Board requested the Executive Director in decision 1991/29 to submit to it at its 1992 session a comprehensive review of existing project posts and the criteria for the establishment of prorated project posts, including a review of the adequacy of the 6 per cent surcharge reserved to recover administrative, personnel and operating costs.

51. The Committee notes that the recent large increase in contributions for emergency programmes has significantly increased the workload in UNICEF and that there has been a relative reduction in contributions for non-emergency supplementary-funded programmes. As a result, there is need to expand the current recovery policy to reflect the additional requirements of emergency programmes. The Executive Director therefore recommends that in addition to the current 6 per cent recovery rate to all supplementary-funded programmes, the same charge should also be made on all emergency supplementary-funded programmes, excluding those funded by National Committees for UNICEF, non-governmental organizations (NGOs) and host Governments funding their own programmes.

52. The Committee was informed that the interest income earned by unexpended supplementary funds and credited to general resources for the portion of administrative services and programme support costs attributable to supplementary-funded programmes in 1991 amounted to approximately $20 million (para. 5).

53. The Committee notes that supplementary-funded projects are charged specifically with the travel and per diem costs related to missions of core staff for the preparation, monitoring and evaluation of supplementary-funded projects (para. 6 (b)); the Committee is of the view that the purpose of these missions and the scope of the related activities need more elaboration to justify this charge.

54. The Committee notes further that the criteria for the establishment of prorated project posts (paras. 24 and 25) should be based on a thorough analysis of the workload relating to the implementation of all supplementary-funded programmes and any proposal for additional prorated project posts should be justified according to a specific increase in workload. In this connection, the Committee recalls that the recovery policy is not limited to the establishment of prorated project posts, but covers all related activities and resources involved in the management of supplementary-funded programmes.

55. Considering the significant increase in administrative, personnel and operating costs relating to all supplementary-funded programmes over the last years, there is an urgent need to expand the current recovery policy to meet the additional requirements of UNICEF to finance prorated project posts and field overheads related to the implementation of such programmes. The Committee is of the view that it does not seem unreasonable for the Executive Director to assess the level of UNICEF support to National Committees and NGOs with a view to determining whether an appropriate recovery rate should also be applied in these cases.

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56. The Committee recalls that it recommended on 5 March 1990 that the Executive Director should submit a document to the Executive Board requesting a policy decision on the rental of premises outside UNICEF House and should seek the concurrence of the Advisory Committee on the actual terms of the lease. The Executive Board then requested the Executive Director to submit through the Advisory Committee to the Board in 1991 an analysis of UNICEF headquarters office requirements, including current and future space needs, alternative locations, estimated costs and a statement of rental policies. The Committee noted in its 1991 report (E/ICEF/1991/AB/L.10, para. 64) 1/ that the survey of additional office space was limited to rental costs of other buildings in the New York area and recommended that:

> "a market study should be prepared, including a cost-benefit analysis of the real estate market in New York and surrounding areas, comparing the purchase price and rental costs of suitable buildings. The Committee notes that all possible options for UNICEF headquarters accommodation should be evaluated before a long-term policy decision is taken by the Executive Board, taking into account the substantial costs involved, the long-term investment and asset of headquarters property compared to largely increasing rental costs and the implications for the effective management and operation of UNICEF from one central office location."

57. The Executive Board requested the Executive Director in decision 1991/27 to present to the Board at its 1992 session a proposal for a cost-effective, long-term office space strategy for central headquarters, including options, with reference in particular to growth, functional and operational decentralization and location, taking into account the long-term staff projections, organizational structure and operational needs and possibilities of securing long-term office requirements, in particular leasing, direct purchase, mortgage purchase or purchase of land and construction options, providing as accurately as possible the comparative short- and long-term cost requirements.

58. The Advisory Committee notes that the consultants have made a detailed study, as a result of which substantial savings can be made, whatever option is chosen (table 17). The conclusions and comments of the Executive Director

on the three options are contained in paragraphs 104 to 111 and his recommendations in paragraph 112 of his report.

59. The Executive Director stated before the Committee that as a result of the real estate study, UNICEF had received very attractive offers to relocate its headquarters from UNICEF House outside the United Nations Development District, namely to Westchester County (proposal No. 20) or the Borough of Queens in New York City (proposals Nos. 10 and 21). The estimated financial implications of such a relocation are indicated in tables 12 and 13 of the report. The Committee notes that the estimated savings compared with the base case (revised case) from 1991 to 2010 would be $99.3 million ($76 million) for Westchester and $92.9 million ($69.6 million) or alternatively $46.3 million ($23.0 million) for Queens; all three proposals offer UNICEF the opportunity to own the properties after the lease term.

60. The Executive Director further stated that in view of the above offers and possible relocation of UNICEF headquarters, the United Nations Development Corporation (UNDC) and the New York City Economic and Development Corporation (NYCEDC) made a joint offer to UNICEF, resulting in savings of at least $30 million (paras. 31 and 39).

61. With regard to a possible relocation, the Executive Director noted that a long-term strategy for UNICEF headquarters accommodation cannot be based solely on financial terms, but should also take into account the historical value of close proximity to the United Nations Secretariat, UNDP and the permanent missions to the United Nations, the identity of UNICEF House and the disadvantages in communication, transportation as well as public relations. The Committee was not fully convinced of the disadvantages of relocating headquarters, taking into account the possibilities of modern communication technology.

62. The Committee notes further that UNICEF is now operating from three headquarters buildings (UNICEF House, 1 Dag Hammarskjold Plaza and the Greeting Card and related Operations office) and is proposing to rent an additional 15,000 gross square feet on a short-term basis to accommodate the projected growth until a long-term solution has been implemented (para. 112). Considering that the space in UNICEF House is limited, the Committee notes that, in view of the projected annual growth of about 3 per cent, UNICEF will have to continue renting additional office space in one or two other buildings in New York if it remains at UNICEF House. In this connection, and with regard to option 2, the Committee recalls that UNICEF should bear in mind the implications for the efficient management and cost-effective operation of UNICEF from one central office location (see para. 56 above).

63. Considering that the question of UNICEF headquarters office accommodation has been studied since March 1990, the Committee regrets that the Executive Director is not in a position to propose to the Board at its 1992 session a long-term solution and intends to report back in 1993. The Committee notes that the negotiations with UNDC and NYCEDC with regard to their lease extension ownership proposal for UNICEF House are ongoing and that the costs

for this option, including rent of a possible suitable building in close proximity to UNICEF House, are not known. Furthermore, the review of other implications of a relocation of headquarters outside New York City is still pending; other proposals, including possible cost-free offers in other countries may emerge. Under the circumstances, the Committee sees no need to make specific recommendations at this time and takes note of the options presented in the report of the Executive Director.

64. With regard to the Executive Director's request to rent an additional 15,000 square feet, the Committee recommends on the basis of the information provided by the Executive Director that UNICEF enter into a lease agreement for 7,000 square feet to accommodate 23 staff members with the indication to the landlord of a willingness to rent an additional 8,000 square feet as required. In this connection, however, the Committee recalls its recommendation in its last report that there should be zero growth of project posts at headquarters (see para. 21 above).

65. The Committee requests that the Executive Director report back to the Advisory Committee on all three options and any other developments for early consideration by the Executive Board, including a report on the identification of project functions at headquarters for transfer to the field (see para. 32 above).

Notes

1/ "United Nations Children's Fund, Revised budget estimates for the biennium 1990-1991 and budget estimates for the biennium 1992-1993 and recommendations for additional headquarters office accommodation; report by the Advisory Committee on Administrative and Budgetary Questions" (E/ICEF/1991/AB/L.10).